



Setting Standards for Excellence

October 1, 2010

Ms. Gloria Blue
Office of the U.S. Trade Representative
Washington, DC 20230

Submitted to: www.regulations.gov, Docket USTR-2010-0022

Re: Non-Standards Measures

Dear Ms. Blue:

The National Electrical Manufacturers Association (NEMA) is pleased to respond to your August 6 *Federal Register* request for public comments to assist the Office of the U.S. Trade Representative and the Trade Policy Staff Committee in preparation of the annual National Trade Estimate Report on Foreign Trade Barriers (NTE). As requested, NEMA is providing separate sets of comments on standards-related measures and on other measures of concern. This document addresses measures that are not standards-related.

NEMA is the association of electrical and medical imaging equipment manufacturers. Founded in 1926 and headquartered near Washington, D.C., its approximately 430 member companies manufacture products used in the generation, transmission and distribution, control, and end use of electricity. These products are used in utility, industrial, commercial, institutional, and residential applications. The association's Medical Imaging & Technology Alliance (MITA) Division represents manufacturers of cutting-edge medical diagnostic imaging equipment including MRI, CT, x-ray, and ultrasound products. Worldwide sales of NEMA-scope products exceed \$120 billion. In addition to its headquarters in Rosslyn, Virginia, NEMA also has offices in Beijing and Mexico City. (The Association's product scope is attached.)

NEMA urges you to take the following into account as you compile the annual NTE report:

I. Worldwide tariff elimination for all NEMA products

The worldwide elimination of tariffs on electrical products is a fundamental NEMA goal. We are founding members of, and now chair, the Zero Tariff Coalition, housed at the National Association of Manufacturers (NAM). We therefore urge the U.S. to pursue tariff elimination for electrical products in all fora, including possible sectoral talks under the World Trade Organization "Doha Development Agenda" round of negotiations on reduction and elimination of tariffs on non-agricultural goods — or via regional groups and/or all other opportunities as they arise. In addition, WTO members should agree to implement so-called “zero-for-zero” agreements to eliminate tariffs on electrical products as soon as possible, preferably on an early

provisional basis with immediate effect until these "free" tariff rates are bound into the DDA round's final concluding agreement.

Similarly, NEMA urges the U.S. to push for completion of an agreement to expand the scope of tariff elimination for electronic products addressed under the WTO Information Technology Agreement (ITA), including some NEMA products. NEMA also supports continued efforts by U.S. officials to expand the country membership of the ITA.

The Medical Imaging Technology Alliance (MITA), a division of NEMA, urges the U.S. to further push for the completion of the Healthcare Sectoral Agreement that it proposed in collaboration with Switzerland.

II. Free Trade Agreements

The U.S. government should negotiate and ratify free trade agreements (bilateral, regional and multilateral) that further open commerce in electrical goods while upholding the following NEMA principles:

- Immediate reciprocal tariff elimination
- No governmental mutual recognition agreements (MRAs) where product is not U.S. federally regulated
- National treatment
- Adequate legal and administrative infrastructure in place for implementation, transparency and enforcement of agreements
- Protection of intellectual property rights
- Reduction in technical barriers to trade (TBTs)
- Compliance with all World Trade Organization (WTO) TBT Agreement requirements
- Safe conduct of product and persons
- Energy services liberalization
- Inclusive definition of "International Standards"
- Market-driven development of product standards and conformity assessment
- Conformity attestation methods include optional use of the IEC Conformity Assessment Systems – IECCE, IECEx and IECQ, where appropriate

III. Horizontal Cross-Cutting Issues

Several countries, including Brazil, China and India, either have or are considering import bans for all remanufactured equipment. Recognizing that some countries may want to prevent importation of products that are headed for their solid waste facilities rather than recycling or reuse, NEMA encourages USTR to continue to work with these countries and others to recognize the value of high-quality remanufactured equipment, especially in the medical imaging equipment industry. Remanufactured medical imaging units are more cost-effective for lower-income countries and improve patient access to 21st century medical technologies without displacing or disadvantaging any local manufacturers or service providers.

The global medical imaging industry, represented by the Medical Imaging Technology

Alliance (MITA), a division of NEMA, and its European and Japanese counterpart industry organizations, has published a white paper on good remanufacturing practices, available at http://www.cocir.org/uploads/documents/46-907--39-final_grp_report_2009.pdf, that proposes principles for refurbishment to ensure that only quality refurbished equipment be introduced into markets.

IV. Country-Specific Issues

China — Export Quotas, Tariffs and Bans

China imposes significant export tariffs and quotas on certain rare earth elements (REEs) mined and processed in China. Some of these REEs are used in energy efficient lighting products, certain electric motors, and certain electrical-current-carrying wire and cable products. One of our members' production plants puts \$2-3 million into their budget to account for the export tariffs. The export restrictions threaten viability of U.S.-based manufacturing of certain products. NEMA views this as part of China's approach to encourage more manufacturing on the ground in China since final products domestically made in China containing REEs do not have an export tax.

China – Government Procurement

NEMA joins many other U.S. business groups in raising serious concerns about policies in Beijing that would limit restrict government purchasing to products accredited as having resulted from so-called “indigenous innovation”. In short, we fear that the National Indigenous Innovation Product Accreditation (“NIIP”) policy would go directly against multiple commitments of China’s leadership to resist trade and investment protectionism and promote open government procurement policies.

Moreover, such an approach is doubly remarkable in that it coincides with Beijing’s negotiations to join the WTO Government Procurement Agreement. (GPA) In particular, we are concerned about purchasing by state-owned enterprises, including the state-owned utilities, since they could also be included under the same “indigenous innovation” accreditation acquisition policy.

In the negotiations on China’s accession to the WTO GPA, NEMA would like to see China’s schedule of commitment include coverage for Chinese state-owned enterprises as well as Sub-National government entities.

Brazil — Tariffs

Brazil continues to charge high electrical equipment external tariffs on non-MERCOSUR imports and inputs. Some of our magnet wire members, for example, are particularly concerned about high Brazilian duties even as Brazilian wire products enjoy, by virtue of our Generalized System of Preferences (GSP) program, tariff-free market access to this country that is beginning to encroach upon U.S. manufacturers’ market share.

Our membership has also expressed concerns about Brazil's duty-drawback policy, which requires 60% local integration in order to be claimed. In practice, double-duties impact on far too many products that are shipped to Brazil and then trans-shipped onwards to third countries.

Thank you for your consideration of these remarks.

Sincerely,

A handwritten signature in black ink that reads "Gene Eckhart". The signature is written in a cursive, slightly slanted style.

Gene Eckhart
Director, International Trade

Attachment: NEMA Product Scope by HTS Number

NEMA Product Scope by HTS Number

<u>HTS number</u>	<u>Product description</u>
3208.10	Paints/varnishes, dispersed or dissolved in a non-aqueous medium: Based on polyesters
3208.20	Based on acrylic or vinyl polymers
3208.90	Based on other synthetic polymers or chemically modified natural polymers
3907.10	Polyacetals, other polyethers and epoxide resins, in primary forms: Polyacetals
3907.20	Other polyethers
3907.30	Epoxide resins
3907.40	Polycarbonates
3907.50	Alkyd resins
3907.60	Polyethylene terephthalate (bottle-grade resins and others)
3907.91	Other polyesters: unsaturated, allyl resins: Allyl resins, uncompounded Other allyl resins, compounded Other unsaturated polyesters
3909.10	Urea resins; thiourea resins
3909.20	Melamine resins
3909.30	Other amino-resins
3909.40	Phenolic resins
3909.50	Polyurethanes: Elastomeric, cements and other polyurethanes
3917.21	Tubes, pipes and hoses: Of polymers of ethylene
3917.22	Tubes, pipes and hoses: Of polymers of propylene
3917.23	Tubes, pipes and hoses: Of polymers of vinyl chloride
3917.40	Non-metallic fittings for tubes, pipes and hoses

3919.10	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes of plastic: Filament reinforced tape and electrical tape
3919.90	Other electrical tape
3921.90	High pressure paper reinforced decorative and non-decorative (includes industrial) laminates
6814.10	Plates, sheets and strips of agglomerated or reconstituted mica, on a support or not
6814.90	Other mica
7305.31	Longitudinally welded, tapered pipes and tubes of steel, principally used as parts of illuminating articles
7306.30	Tubes/pipes of steel, welded, of circular cross-section Non-insulated metallic conduit
7308.20	Towers and lattice masts
7408.11	Copper wire with a maximum cross-sectional dimension over 9.5 or With a maximum cross-section dimension > 6 mm but < 9.5
7408.19	Copper wire not of refined copper
7408.21	Copper wire of copper-zinc base alloys (brass)
7408.22	Copper wire of copper-nickel or copper-nickel-zinc base alloys, coated/plated w/metal or not coated or plated w/metal
7408.29	Copper wire not of copper-zinc base alloys, coated/plated w/metal or not coated or plated w/metal
7413	Stranded wire, without fittings Other cables, without fittings Stranded wire, cables, plaited bands, with fittings
8501.10	Motors of an output not exceeding 37.5 W
8501.20	Universal AC/DC motors of an output exceeding 37.5 W
8501.31	Other DC motors: DC generators: Of an output not exceeding 750 W
8501.32	Other DC motors: DC generators: Of an output exceeding 750 W but not exceeding 75kW
8501.33	Other DC motors: DC generators: Of an output exceeding 75kW but not exceeding 375 kW

- 8501.34 Other DC motors: DC generators: Of an output exceeding 375 kW
- 8501.40 Other AC motors, single-phase
- 8501.51 Other AC motors, multi-phase: Of an output not exceeding 750 W
- 8501.52 Other AC motors, multi-phase: Of an output exceeding 750 W but not exceeding 75 kW
- 8501.53 Other AC motors, multi-phase: Of an output exceeding 75 kW
- 8501.61 AC generators (alternators): Of an output not exceeding 75 KVA
- 8501.62 AC generators (alternators): Of an output exceeding 75 kVA but not exceeding 375 kVA
- 8501.63 AC generators (alternators): Of an output exceeding 375 kVA but not exceeding 750 kVA
- 8501.64 AC generators (alternators): Of an output exceeding 750 kVA
- 8503.00 Commutators: Stators and rotors for motors and generators
- 8504.10 Ballasts for discharge lamps or tubes
- 8504.21 Liquid dielectric transformers: Having a power handling capacity not exceeding 650 kVA
- 8504.22 Liquid dielectric transformers: Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA
- 8504.23 Liquid dielectric transformers: Having a power handling capacity exceeding 10,000 kVA
- 8504.31 Other transformers: Having a power handling capacity not exceeding 1kVA
- 8504.32 Other transformers: Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA
- 8504.33 Other transformers: Having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA
- 8504.34 Other transformers: Having a power handling capacity exceeding 500 kVA
- 8504.40 Static converters (electronic transformers)
- 8504.50 Other inductors

8504.90	Parts of speed drive controllers
8506.10	Primary cells and primary batteries: Manganese dioxide
8506.30	:Mercuric oxide
8506.40	:Silver oxide
8506.50	:Lithium
8506.60	:Air-zinc
8506.80	Other primary cells and primary batteries
8506.90	Parts of primary cells and batteries
8507.30	Nickel-cadmium storage batteries
8507.40	Nickel-iron storage batteries
8507.80	Other storage batteries (not including lead-acid)
8507.90.80	Parts
8513.10	Lamps: Flashlights and Other (lanterns)
8513.90	Parts: of flashlights and lanterns
8515.31	Machines and apparatus for arc (including plasma arc) welding of metals: Fully or partly automatic
8515.39	Machines and apparatus for arc (including plasma arc) welding of metals: Other
8515.90	Parts: Of welding machines and apparatus
8530.10	Traffic control equipment
8530.80	Other signaling equipment
8530.90	Parts
8531.10	Burglar or fire alarms or similar apparatus (incl. smoke detectors)
8531.20	Indicator panels incorporating liquid crystal devices (LCDs) or light emitting diodes (LEDs)
8531.80	Paging alert devices and other signaling apparatus

8531.90	Parts of signaling equipment
8532.10	Fixed capacitors used in 50/60 Hz circuits, w/reactive power capacity of not < .5 kvar
8533.	Electrical resistors (including rheostats and potentiometers), other than heating resistors; parts thereof
8533.39	Wirewound variable resistors, including rheostats and potentiometers (incl. dimmers)
8535.10	Electrical apparatus for switching or protecting electrical circuits, voltage > 1,000 V: Fuses for a voltage > 1,000 V
8535.21	Automatic circuit breakers for a voltage > 1kV but < 72.5 kV
8535.29	Other circuit breakers for a voltage > 72.5 kV
8535.30	Isolating switches and make-and-break switches
8535.40	Lightning arresters, voltage limiters and surge suppressors
8535.90	Other electrical apparatus for switching or protecting electrical circuits above 1000 V Motor starters for medium voltage starters
8536.10	Fuses
8536.20	Automatic circuit breakers
8536.30	Other apparatus for protecting electrical circuits Motor overload protectors
8536.41	Electrical relays and contactors for voltage not > 60 V
8536.42	Other relays and contactors 60 to 1000 V
8536.50	Switches, motor starters
8536.61	Lamp holders
8536.69	Electrical connectors
8536.90	Boxes, raceway, terminals, electrical splices and electrical couplings, and others
8537.10	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus...for electric control or the distribution of electricity...and numerical control apparatus: For a voltage not exceeding 1,000 volts

8537.10.60	Motor control centers and Programmable controls
8537.20	Switchgear and assemblies for a voltage > 1,000 V
8538.10	Boards, bases and panels for goods of 8537, without their apparatus Parts of programmable controls
8538.90	Molded and other parts for 8536 and 8537
8539.10	Sealed beam lamp units
8539.21	Other filament lamps, excluding ultraviolet or infrared lamps: Tungsten halogen
8539.22	Other filament lamps, excluding ultraviolet or infrared lamps: Other, of a power not exceeding 200 W and for a voltage exceeding 100 V
8539.29	Other filament lamps, excluding ultraviolet or infrared lamps: Other: Designed for a voltage not exceeding 100 V
8539.31	Discharge lamps, other than ultraviolet lamps: Fluorescent, hot cathode
8539.39	Discharge lamps, other than ultraviolet lamps: Other
8539.41	Ultraviolet or infrared lamps: arc lamps
8539.90	Electrical filament or discharge lamps: Parts
8541.40.20	Light-emitting diodes
8544.11	Winding wire of copper (magnet wire)
8544.19	Other (magnet wire)
8544.20	Coaxial cable and other coaxial electric conductors
8544.41	Electric conductors, fitted with connectors for voltage not > 80 V
8544.49	Electric conductors, fitted with connectors for voltage not > 80 V: Other, without connectors
8544.51	Electric conductors, fitted with connectors, voltage > 80 V but < 1,000 V
8544.59	Electric conductors, fitted with connectors, voltage > 80 V but < 1,000 V: Other, without connectors, of copper Other, not of copper

8544.60	Electric conductors, fitted with connectors, voltage > 1,000 V Not fitted with connectors and of copper Not fitted with connectors and not of copper
8544.70	Optical fiber cables
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons, and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes
8545.11	Carbon electrodes, of a kind used for furnaces
8545.19	Carbon electrodes: Other, of a kind used for electrolytic purposes Carbon electrodes: Other, not used for electrolytic purposes
8545.20	Carbon brushes
8545.90	Arc light carbons and other carbons used for electrical purposes
8546.10	Electrical insulators of glass
8546.20	Electrical insulators of ceramics
8546.90	Electrical insulators of other material
8547.90	Insulated metallic conduit
9018.12	Ultrasonic scanning apparatus
9018.13	Magnetic resonance imaging apparatus
9018.14	Scintigraphic apparatus
9022.14	Apparatus based on the use of X-rays, for medical, surgical, dental, or veterinary uses
9022.21	Apparatus based on the use of alpha, beta or gamma radiations: for medical, surgical, dental, or veterinary uses
9022.30	X-ray tubes
9022.90	Other apparatus, including parts and accessories
9028.30	Electricity meters
9028.90	Parts and accessories
9032.10	Thermostats: for air conditioning, refrigeration or heating systems
9032.89	Other instruments and apparatus: Other: Automatic voltage and voltage-current regulators (HVAC controls)

- 9032.89.60 Complete process control systems
 - Temperature control instruments
 - Pressure and draft control instruments
 - Flow and liquid level control instruments

- 9032.90 Other instruments and apparatus: Parts and accessories: Of automatic voltage and voltage-current regulators (Thermostat and HVAC parts)

- 9032.90.60 Parts of process control instruments and apparatus including programmable controllers

- 9405.10 Electric ceiling or wall fixtures, not of base metal

- 9405.40 Other electric lamps and lighting fittings, of brass
 - Of base metal (not brass)
 - Other lamps and lighting fittings, not of base metal

- 9405.99 Fixture parts of brass
 - Fixture parts, other than brass