



National Electrical Manufacturers Association

The association of electrical equipment
and medical imaging manufacturers
www.nema.org

April 11, 2022

William Shpiece
Chair of the Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: Docket USTR-2022-0002, *Request for Comments on the Proposed Fair and Resilient Trade Pillar of an Indo-Pacific Economic Framework*

Dear Mr. Shpiece:

As the leading trade association representing the manufacturers of electrical and medical imaging equipment, the National Electrical Manufacturers Association (NEMA) provides the attached comments in response to the March 11, 2022 notice inviting public input on priorities for negotiating objectives and positions to shape cooperation with potential Indo-Pacific Economic Framework (IPEF) partners.

NEMA represents more than 325 electrical equipment and medical-imaging manufacturers that make safe, reliable, and efficient products and systems. Member companies support more than 370,000 American manufacturing jobs in 6,100 locations across all 50 states. NEMA companies play a key role in transportation systems, building systems, lighting, utilities, and medical-imaging technologies and will thereby serve a critical role in the implementation of the Infrastructure Investment and Jobs Act (IIJA). These industries produce \$130 billion in shipments and \$38 billion in exports of electrical equipment and medical imaging technologies per year.

Attached please find the NEMA comments. We appreciate the opportunity for early engagement in the IPEF and would welcome discussing the matter and our comments further. Access to markets and free and fair trade between the United States and Indo-Pacific countries is vital for the success of our member companies and for the U.S. economy as a whole.

If you have any questions on these comments, please contact Madeleine Bugel of NEMA at Madeleine.Bugel@nema.org.

Sincerely,

Spencer Pederson
Vice President, Public Affairs

Attachment

National Electrical Manufacturers Association
1300 North 17th Street, Suite 900 - Rosslyn, VA 22209

NEMA Comments on the on the Proposed Fair and Resilient Trade Pillar of an Indo-Pacific Economic Framework

Executive Summary

- As the United States Trade Representative (USTR) and the Administration develop negotiating objectives and positions to shape cooperation with potential Indo-Pacific Economic Framework (IPEF) partners, NEMA urges the Administration to consider and advance market access opportunities.
- NEMA recommends the Administration seek concrete commitments in its negotiations and urges the Administration to include transparent enforcement mechanisms in its negotiations with IPEF countries.
- As USTR and the Administration contemplate digital and emerging technology issues, NEMA urges the Administration to identify opportunities to work with IPEF countries to bolster the cybersecurity of critical infrastructure.
- Further, in order to meet the accelerated timelines outlined in the IIJA, address longstanding supply chain challenges, and build economic partnerships with IPEF countries, NEMA urges USTR and the Administration to explore opportunities to build resilient supply chain partnerships with IPEF countries to tackle supply chain challenges, reduce barriers to trade, and re-orient our supply chains for goods critical for the implementation of the IIJA.
- NEMA urges the Administration to take action to address non-tariff barriers to trade and act on opportunities to facilitate trade such as ensuring IPEF countries are adhering to the WTO Trade Facilitation Agreement.
- NEMA urges the Administration to continue to engage with U.S. stakeholders, including through regular opportunities to provide comments during the course of IPEF negotiations and after negotiations have concluded via regular reviews.

Discussion

NEMA has long prioritized market access commitments and actions to reduce tariff barriers in U.S. trade policy in the Indo-Pacific. And while NEMA believes that U.S. engagement in multilateral Free Trade Agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership would best serve U.S. economic and strategic interest in the Indo-Pacific, NEMA welcomes the Administration's renewed engagement in this region and outreach to stakeholders early during the development of negotiating objectives for the IPEF.

Market access to these dynamic and growing economies is critical for the electroindustry. In 2015 NEMA identified over \$23 billion in U.S. electroindustry exports to the original members of the Trans-Pacific Partnership (TPP) countries and over \$26 billion in electroindustry imports. And while the Administration is not seeking to address tariff barriers to trade at this time, tariff elimination under the TPP was estimated to save NEMA exporters millions of dollars in tariff spend annually from the beginning of the agreement. Tariff elimination was also estimated to save U.S. manufacturers significantly in important components from the TPP FTA partners.

Reports indicate that IPEF participants will not need to take part in all pillars of the framework, although they will be expected to participate in the full scope of their chosen pillars.¹ As the Administration works to craft the Fair and Resilient trade pillar of the framework, NEMA urges the Administration to seek concrete commitments to include transparent enforcement mechanisms in its negotiations with IPEF countries so that stakeholders may understand and track the commitments made and work with USTR and other agencies to address enforcement issues as appropriate.

Through NEMA's Cybersecurity Council, NEMA is leading the electroindustry to identify Standards, best practices, and liability limitations related to cybersecurity for the electrical grid. NEMA supports USTR's efforts to develop high-standard, worker centric commitments for the digital economy. As the Administration works with IPEF participants, NEMA believes these negotiations present an opportunity for the Administration to address cybersecurity concerns, including those related to critical infrastructure.

The IIJA represents a significant milestone in the transformation of U.S. infrastructure toward an accessible and electrified transportation system, modernized buildings and lighting, a more resilient grid, and a more efficient and expanded domestic manufacturing sector. The IIJA's \$450 billion investment in energy and electrification projects will unlock huge opportunities for American businesses and workers, including the 370,000 people employed by U.S. electrical manufacturers.

NEMA supports the swift implementation of the IIJA and the Administration's goals to build climate resiliency, create high quality jobs, and promote equity and inclusion, while strengthening our domestic supply chain through Buy America and Buy American provisions included in the law. NEMA also recognizes the continued limitation of U.S. related supplies and materials exacerbated by ongoing supply chain and workforce disruptions, which could limit the industry's ability to meet the ambitious timelines outlined in the law. NEMA recommends that the Administration explore opportunities with IPEF signatories to create supply chain partnerships, re-orient critical supply chains and provide for increased economic cooperation between the U.S. and IPEF signatories to ensure materials needed for implementation of the IIJA are readily available.

Further, USTR should work with IPEF signatories to address traditional non-tariff barriers to trade, including adherence to the WTO Trade Facilitation Agreement, elevating the importance of standards and conformity assessment, and ensuring regulatory coherence among trading partners.

NEMA appreciates the Administration's commitment to consultation with stakeholders as it develops negotiating objectives and positions for the IPEF. NEMA urges the Administration to continue to engage

¹ <https://insidetrade.com/daily-news/bianchi-ipef-participants-can-join-pillar-will-look-%E2%80%98early-harvests%E2%80%99>

with U.S. stakeholders, including through regular opportunities to provide comments during the course of IPEF negotiations and after negotiations have concluded via regular reviews with open public comment periods.