

March 27, 2018

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

Dear Secretary Ross:

The Environmental Technologies Trade Advisory Committee (ETTAC) recommends that the U.S. Department of Commerce renew its commitment to the International Trade Administration's (ITA) Market Development Cooperator Program (MDCP). This recommendation and the accompanying letter in support were approved at the ETTAC meeting on February 6, 2018.

The MDCP is a highly effective public/private collaboration that leads to exports and creates jobs. In any given year, there are approximately 18 active MDCP projects that create or sustain about 3,200 U.S. jobs. The average MDCP project lasts over three years and generates \$32 million in exports per year. On average from 1997 through 2015, MDCP projects generated \$336 in exports for every \$1 of awards made through the program. Grantees provide financial and technical assistance that encourage and enable U.S. companies to export. Projects range in scope from helping companies to secure export financing to addressing non-tariff barriers to U.S. exports such as discriminatory regulations, technical standards, local content requirements, and onerous conformity assessment requirements. Since 1993, approximately 150 MDCP projects have been funded, targeting 46 different export markets, including China, India and the Middle East region.

The MDCP program enables private sector collaboration and partnership with the U.S. Department of Commerce. While the financial assistance awards often are made to trade associations and other non-profit industry groups, the ultimate beneficiaries of MDCP-funded projects are individual U.S. businesses and the U.S. workers they employ. For each project, private sector industry groups pledge to pay a minimum of \$2 in match for every \$1 provided by MDCP funding, and to commit to sustain the project after the MDCP award period ends. In addition to cost sharing, the program provides a unique opportunity for industry to collaborate with the U.S. Department of Commerce resources in the United States and abroad by leveraging sector and analytical expertise in the development and execution of trade policy, global market regulatory compliance, export expansion, and investment promotion strategies. This effective public/private collaboration improves market access for U.S. industry globally while advancing the international competitiveness of U.S. business, including small- to medium-size enterprises.

We appreciate the great work done by our U.S. Commercial Service officers around the world and the resources the U.S. Department of Commerce makes available to strengthen the competitiveness of the U.S. environmental industry, to promote trade and investment, and to ensure fair trade. In these efforts, continuing to fund and promote MDCP at an annual level of at least \$2 million should be a priority for the U.S. Department of Commerce.

We appreciate your leadership and would be pleased to answer any questions you might have related to this matter. We are also pleased to include with this letter, examples of successful MDCP programs that have addressed substantial trade barriers faced by U.S. Environmental Technologies. Many of these programs continue today, further growing U.S. exports and jobs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Swinko".

Ron Swinko
Chair, ETTAC

Examples of MDCP projects in which Environmental Technology Exports were Facilitated:

IAPMO: International Association of Plumbing and Mechanical Officials (MDCP 2013-2016)

<https://www.trade.gov/mdcp/profile/profile-iapmo-2013.asp>

As of May 19, 2016, Bekasi (Jakarta), Jawa Barat in Indonesia is the home of a lab to certify that plumbing products comply with Indonesia's new plumbing code. The new lab is part of a Market Development Cooperator Program (MDCP) project. ITA awarded \$296,062 to the International Association of Plumbing and Mechanical Officials (IAPMO) in 2013 to assist Indonesia in establishing its plumbing code and testing facilities.

With Indonesia's newly adopted national plumbing standard, SNI 8153:2015, the lab certification of plumbing products allows architects, planners, builders, and building owners the certainty they need to choose the right products for the right applications. Prior to the MDCP project, Indonesia lacked a proper plumbing code and certification process or facility. Even before the lab opened the standard alone had a significant effect on trade. Within a year of the adoption of the new standard U.S. exports to Indonesia doubled from \$1.65 million to \$3.3 million.

ASTM, ICC (International Code Council) partnership with GSO in the Gulf (MDCP 2014-Ongoing)

<https://www.trade.gov/mdcp/highlight/highlight-astm-20161100-GCCModelBlgCode.asp>

The U.S. building products industry represents over \$85 billion in U.S. exports annually; however adoption of US and international consensus standards represent a potential barrier to trade, when countries use only ISO or EU standards.

In the Gulf, via a \$87,140 MDCP grant, the ICC and ASTM have partnered with the Gulf Standards Organization to inform the regional Guild Building Code (GBC). The GBC references hundreds of ASTM International standards and other consensus standards. U.S. building product manufacturers are familiar with the I-Codes and their reference standard requirements. When the ICC inform a regional Gulf Building Code, it facilitates trade and helps ensure the region can benefit from U.S. manufacturers' building product solutions.

American Water Works Association (MDCP 2014-2017)

<https://www.trade.gov/mdcp/highlight/highlight-awwa-2014-ExportTotalIndiaLead.asp>

The American Water Works Association (AWWA), represents utilities and water supply professionals. From late 2014 through fall 2017, via the MDCP award, AWWA spearheaded efforts to help U.S. water technology companies to meet the global demand for clean water. By attending new international trade shows, AWWA-led delegations of U.S. firms were able to find new customers from around the world, with new commercial relationships ranging from Singapore to Bulgaria. In addition, AWWA opened an office in Mumbai, India in 2015, as a means of establishing a direct presence in the country. Indian waterworks officials have benefitted significantly from the technical exchanges with U.S. water professionals. From a total MDCP award of \$299,955, AWWA has reported exports of valuable U.S. technology and consulting services totaling almost \$12 million or \$39 dollars in exports for every dollar of MDCP funds.