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Committee on Technical Barriers to Trade

CHINA - CHINESE ENVIRONMENTAL PROTECTION CONTROL STANDARDS FOR IMPORTED SOLID WASTE AS RAW MATERIALS

STATEMENT BY THE UNITED STATES TO THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE 21 AND 22 MARCH 2018

The following communication, dated 21 March 2018, is being circulated at the request of the delegation of the <u>United States</u>.

- 1. The United States would like to reiterate its concerns, as first expressed during our last meeting on November 2017, regarding the negative trade and environmental impacts resulting from China's import ban and accompanying measures further restricting imports of recovered materials, such as plastics.
- 2. Despite these concerns and our repeated attempts to request meetings with experts from China's Ministry of the Environment (MEP) to discuss these concerns, China appears to be moving forward with the implementation of these trade-restrictive measures.
- 3. The United States requests that China immediately halt implementation of its ban on the import of recovered materials as well as its import control standards for recovered materials that in many cases result in a de facto ban due to the technical infeasibility of those measures.
- 4. We request that China revise these measures in a manner consistent with existing international standards for trade in recycled commodities, which provide a global framework for transparent and environmentally sound trade in such? Non-virgin materials.
- 5. Thereafter, we request that China observe the normal 60-day timeframe for comment consistent with the Committee Recommendation in G/TBT/9 Annex 3 and afford reasonable implementation timeframes subsequently. The United States has observed that notifications 1211, 1212, and 1224 through 1234 have all entered into force well before the customary 6-month minimum timeframe for technical measures and beyond any reasonable interval for industry to make necessary adjustments to their supply chains.
- 6. While the United States recognizes and appreciates China's interest in addressing environmental concerns, including potentially by pursuing measures to improve its management of recovered materials, the approach that China is taking appears to be having the opposite effect by exacerbating both global and local environmental challenges.
- 7. For example, the most likely outcome of China's ban on post-consumer plastics and restriction of trade in post-industrial plastics is that reusable plastics will be and in many cases already are being redirected from productive purposes, such as recycling, to the waste stream. In addition to unnecessarily adding to landfill waste, once plastics enter the waste stream they risk polluting waterways and oceans, causing deleterious harm to fish and protected marine life.
- 8. Globally, 275 million metric tons of plastic waste is produced on an annual basis, an estimated 8 million metric tons of which end up in the ocean where it poses serious harm to fish, birds, and marine mammals. When marine life become entangled-in or ingest plastic debris the animal risks injury, illness, suffocation, starvation and death.

- 9. We also are interested in how China views these measures in the context of national treatment requirements. In many cases, no commensurate domestic materials management regime appears to exist. In the case of recovered paper and paperboard, import measures appear to vary fundamentally from local requirements in a manner that renders them technically impossible to meet.
- 10. For instance, China's domestic standard for recovered paper and paperboard outlines carried waste thresholds between 2.5% and 4.0% for various classes of paper and paperboard where the import standard notified through CHN/1225 imposes a 0.5% carried waste threshold for all classes of paper and paperboard in addition to the outright ban on mixed paper notified in CHN/1211.
- 11. China's 0.5% threshold for imported papers appears to serve as a de facto ban on these materials. For the highest grades of post-industrial recovered papers, modern mechanical, magnetic, and optical sorting technologies are unable to exceed a 1% threshold for carried wastes. Furthermore, according to our research, achievable thresholds for most grades of sorted post-consumer papers are closer to 5%.
- 12. However, for a vast number of materials outlined in both the ban and import control standards, we have observed that China has no mandatory commensurate domestic standard in place.
- 13. For example, for the 21 categories of non-ferrous metal commodities subject to China's import control standard notified in CHN/1228, China appears to have only voluntary standards in place for just three categories of non-ferrous metal: copper, aluminum, and zinc, and no domestic standards, voluntary or otherwise, for the remaining non-ferrous materials specified in the measure.
- 14. We remain concerned that a ban and related import control standards with such a broad scope are more trade restrictive than necessary to fulfil the stated objectives, and that there are fundamental differences between requirements for foreign and domestic commodities.
- 15. Has China considered less trade restrictive alternatives instead of a total import ban coupled with highly restrictive import standards to fulfil its objectives? If not, the United States would be pleased to work with China on such less trade restrictive alternatives.
- 16. Can China clarify what measures it is applying to the use or sale of domestically sourced recovered materials and why those measures would not be sufficient to fulfil the objectives if applied to imported materials as well?
- 17. Pursuant to 1211 and 1212, we observe that China has also issued a number of relevant measures, such as the revised "Standards on Imported Solid Waste that Can be Used as Original Material's Environmental Protection Control (Draft for Comment)." These standards have not been notified to the WTO TBT Committee and only provided a 15 day public comment period. We request that China notify these new standards in a timely manner and provide 60-90 day comment period.
- 18. Other relevant measures published by MEP that have not been notified to the TBT Committee and that lacked the required 30 day comment period include the revised "Regulations on Imported Waste Paper Environment Protection Management (Draft for Comment)" (No. 1607) and the "Regulations on Restricting Imported Solid Waste that Can be Used as Original Materials Environment Protection Management (2017 Draft for Comment)."
- 19. In summary, we request that China immediately halt implementation of these measures with a view towards developing alternative measures that are less trade restrictive.