



Transatlantic Trade and Investment Partnership

Docket number USTR-2013-0019

On behalf of the Industrial Truck Association (ITA) we welcome this opportunity to provide comments on the proposed Transatlantic Trade and Investment Partnership (TTIP). The ITA is the national trade association representing manufacturers of powered industrial trucks, commonly referred to as lift trucks, and manufacturers of components and attachments for such trucks. The United States powered industrial truck (PIT) industry is a critical element to keeping Americas just in time inventory moving. As part of the US manufacturing industry, PIT companies create and sustain thousands of US jobs and contribute significantly to the US economy.

The ITA agrees with the recommendation of the final report issued by the High Level Working Group (HLWG) on Jobs and Growth, which calls for a “comprehensive agreement that addresses a broad range of bilateral trade and investment issues.” The ITA believes that expanding the commercial relationship between the United States and Europe will create opportunities for increased trade and investments.

The ITA strongly supports two primary objectives of the TTIP negotiations. Primary objective number one: the elimination of all tariffs immediately, and primary objective number two: harmonization of non-tariff issues through a transparent process.

As the United States and the European Union begin formal trade negotiations we strongly believe in free market access. Global competition continues to grow and there are many prescriptive policy measures the US can adopt to drive increased American manufacturing. Exports of US manufactured goods to just 20 free trade agreement partners accounted for nearly half of US exports in 2012. (source: NAM). Strengthening our nation’s trade policies is critical to leveling the playing field for manufacturers throughout the United States.

ITA’s nineteen (19) Regular Member companies manufacture and sell over ninety percent (90%) of the PIT sold in North America. ITA’s thirty-four (34) Associate Member companies manufacture the great majority of components and attachments for PIT manufactured in the U.S. Although ITA membership is limited to manufacturers who sell in North America, Canada and Mexico, ITA members include manufacturers based in Europe, China, Japan, Korea, and Taiwan, as well as the U.S.

The PIT market is global in nature and is very competitive. PITs are manufactured in virtually every industrialized country and are exported throughout the world. In 2011, the worldwide market for PIT was approximately 974,582 units (source: World Industrial Truck Statistics). In 2011, the U.S. market amounted to over 155,022 units (source: World Industrial Truck Statistics) and the Chinese market was approximately 238,263 units (source: World Industrial Truck



Statistics). The EU (Western Europe) is the largest regional market, amounting to over 276,404 units (source: World Industrial Truck Statistics).

The ITA supports a primary objective of the elimination of all tariffs immediately on powered industrial trucks. The U.S. market is open to PIT manufactured outside the U.S., as all foreign-manufactured PIT enter the U.S. duty-free. The U.S. eliminated import tariffs on PIT in the late 1980's while other countries maintained their tariffs. Thus, in stark contrast to the U.S. tariff policy for imported PIT, PIT manufactured in the U.S. are subject to significant import tariffs in other countries. In the EU, all imported PIT are subject to a 4.5% tariff; in China, a 9.0% tariff is applicable to internal combustion powered PIT.

The secondary objective for the members of the ITA in the TTIP negotiations is promoting a regulatory environment that removes non-tariff barriers to trade and reduces unnecessary regulations and directives. Negotiators should address both existing regulatory differences and the process for developing new regulations. Non-tariff barriers also need to include customs and trade facilitation, regulatory cooperation, conformity assessment and intellectual property rights protection. Any new process for the development of new regulations or the harmonization of existing regulations should be transparent and open to provide for accountability for all stakeholders.

Powered Industrial Trucks have been imported into the U.S. in increasingly large quantities since the mid-1980s. Conversely, exports from the U.S. to the EU and China have been few in number. The major reason for this disparity, ITA believes, are the discriminatory import tariffs levied on PIT by these countries. These tariffs are a significant deterrent to ITA members' ability to compete effectively in those markets. Clearly, the playing field is not level. While U.S.-manufactured PIT are handicapped by the protectionist tariffs imposed by these countries, PIT from these countries enter the U.S. free of any duty. Rather than seeking the imposition of tariffs on PIT entering this country, ITA urges a strong stand against the continuation of tariffs on U.S. manufactured PIT.

Thank you for the opportunity to present the ITA's comments on the Transatlantic Trade and Investment Partnership.

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