February 11, 2021

J. Norwell Coquillard

Executive Director

Washington State China Relations Council

1301 5th Avenue, Suite 1500

Seattle, WA 98101

Dear Mr. Coquillard:

The CleanTech Alliance is pleased to provide the Washington State China Relations Council its members’ perspectives on U.S.-China economic relations and their priorities for improving their business activities with China.

Please note that these responses are from individual members and are not representative of any official CleanTech Alliance policy positions. We would be happy to offer our official policy positions on future issues if desired but please be aware that the member views expressed are reviewed by our Board of Directors and are therefore not official CleanTech Alliance positions.

The CleanTech Alliance represents over 1100 member organizations spanning ten U.S. states and three Canadian provinces. Founded in 2007 by business and cleantech leaders, and headquartered in Seattle, the Alliance facilitates the generation and growth of cleantech companies and jobs through a variety of educations programs, research, products, and services. The mission of the Alliance is to engage our members and the cleantech industry through a variety of programs including networking events, public policy advocacy, commercialization, business development, and other business services.

The Alliance surveyed its members on the below five questions presented by the Washington State China Relations Council, and their responses are summarized below:

1. What is the importance of China for your organization/company?

China is highly important for Alliance members, including as a primary manufacturing supplier, current and potential partner for research and development, and future market. At least two Alliance members maintain primary offices in China in addition to the United States and do significant business there.

1. What are the leading priorities related to China for your organization/company?

The leading priority for Alliance members in China is intellectual property (IP) protection and enforcement, including forced IP transfer. Another high priority is strengthening China’s carbon policies, including continued commitment to the fight against climate change and reduction of greenhouse gas emissions. Additional priorities include, but are not limited to:

* A predictable and stable trade relationship between the United States and China, with focus on ensuring fair trade including open markets and addressing state subsidies, and pursuing a technology export/import policy based on facts rather than fear;
* Rare earth materials;
* CFIUS compliance;
* Visa policy predictability;
* Continued educational and cultural exchanges to increase understanding; and
* Human rights for workers.

1. What are the challenges or barriers to achieving these priorities?

Increasing trade, economic, and political tensions between the United States and China are the most significant challenge identified by Alliance members. This has also created barriers to finding areas of common interest, such as reducing greenhouse gas emissions and preventing global pandemics, among others. Additional challenges to members in the Chinese market include lax IP protection and enforcement; limited forward visibility; differential advantages enjoyed by China from lower labor and environmental standards than those in the United States; and creating discussions on carbon policy.

1. What policies would your organization request the incoming Biden Administration and the U.S. Congress implement, to advance these goals and overcome these challenges?

Policies that strengthen IP projection and enforcement are a leading priority for Alliance members. More broadly, members call for a fairer trading relationship with China, including a comprehensive review of trade and tariff policies, reconsidering the trade war strategy pursued by the Trump Administration and easing indiscriminate hostility towards China, while pursuing a “carrot and stick” approach to achieve this goal. This includes comprehensive policies around technologies that are critical to U.S. national security, and plans that bring manufacturing of these technologies back onshore or to trusted longtime U.S. allies. Policies improving human rights, and strengthening labor laws and environmental regulations in China, are also important for Alliance members. Members call for reviving U.S. alliances in the Pacific to counter growing Chinese political and military pressure, and for reasserting U.S. leadership in the World Trade Organization, towards achieving these goals.

Additionally, Alliance members urged policy approaches that focus on common interests, such as climate change and pandemic response, in order to rebuild trust and connections, such as through grand challenges around which the United States and China could conduct joint research efforts to tackle these issues. Members also call for providing more support to the U.S. renewable energy industry, and putting a price on carbon and support for national and international carbon markets. Our members are optimistic that we can focus on the common ground of climate change to create better and more environmentally friendly trade practices with China.

1. What are the most important roles and actions that Washington State stakeholders (state and local governments, private sector, non-government organizations, educational institutions) can take to support these goals, and contribute to constructive U.S.-China relations?

Alliance members believe that we can develop dialogues on carbon pollution and take advantage of our deep history with China to broker connections between the new Biden Administration and China. Some Alliance members urge members of the Washington State congressional delegation to actively seek committee assignments and other opportunities to lead in Washington, DC on US-China issues of concern. Finding areas of common interest like climate change can help to rebuild our relationship with China to achieve common goals.

Again, the CleanTech Alliance appreciates the opportunity share its members’ perspectives with the Washington State China Relations Council on policies and actions that will support them in their business and economic activities with China.

Sincerely,

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President & CEO

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