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United States Views on Remanufacturing and Trade in Remanufactured Goods

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U.S. Views on Remanufacturing and Trade in Remanufactured Goods

Ed Brzytwa
Director for APEC Affairs
Office of the United States Trade Representative

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Presentation Overview

1. Optimal market for remanufactured goods
2. U.S. government policy concerning sales of remanufactured goods in the U.S.
3. U.S. views on international trade in remanufactured goods
4. U.S. policy work on trade in remanufactured goods
5. APEC and Remanufacturing
6. Conclusion

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An Optimal Market for Remanufactured Goods

- Remanufacturers disclose appropriate product information to consumers, so they know what they are buying
- Remanufacturers provide appropriate warranties and servicing contracts to win market share
- Government only applies general laws and regulations pertaining to preventing deceptive practices
- No additional measures pertaining to remanufactured goods are required.

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U.S. Regulations and Policies Concerning Remanufactured Goods

- The Federal Trade Commission Act, 15 U.S.C. § 45(a), provides that “unfair or deceptive acts or practices . . . are hereby declared unlawful.”
- FTC’s Guides to the Rebuilt, Reconditioned and Other Used Automobile Parts Industry:
 - “It is unfair or deceptive to represent, directly or by implication, that any industry product or part of an industry product is new or unused when such is not the fact, or to misrepresent the current condition, or extent of previous use, reconstruction or repair of any industry product.”

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U.S. Regulations and Policies Concerning Remanufactured Goods

- U.S. Food and Drug Administration and remanufactured medical devices (MRI, X-rays, CAT scanners)
 - Remanufacturing constitutes manufacturing
 - For FDA, remanufacturing changes identity of device
 - If identity of device does not change, then product must meet applicable technical and safety specifications

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U.S. views on international trade in remanufactured goods

- Remanufactured Goods:
 - Are NOT used, “as is” goods
 - Meet the same technical and safety specifications as newly manufactured goods
 - Should be treated “as new” with respect to international trade
 - Can help address our broader, shared environmental and economic objectives

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U.S. Policy Work on Trade in Remanufactured Goods

- APEC Pathfinder on Facilitating Trade in Remanufactured Goods
- Trans-Pacific Partnership
- U.S. Free Trade Agreements
- Bilateral Dialogues

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APEC Reman Pathfinder

- At Honolulu Ministers “welcomed the APEC Pathfinder Initiative on Facilitating Trade in Remanufactured Goods, under which participating economies committed not to apply measures specifically concerning used goods to remanufactured goods”.
- Participants: U.S., Japan, Chile, Canada, New Zealand, Chinese Taipei, Papua New Guinea, Australia, Mexico, Singapore, and the Republic of Korea
- Main thrust:
 - Participating economies agree to treat remanufactured goods as they would new goods

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APEC Reman Pathfinder Elements

1. Apply import-related measures specifically concerning used goods only to used goods and refrain from applying them to remanufactured goods.
2. Refrain from applying import prohibitions against all remanufactured goods or against remanufactured goods in specific sectors.
3. Treat remanufactured goods like corresponding new goods when applying tariffs or other border charges.
4. Generally apply technical regulations, conformity assessment procedures, and documentation and import licensing requirements concerning new goods to remanufactured goods.

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APEC Remanufacturing Resource Guide

- Designed to provide the best publically available information on remanufacturing to APEC officials and industry
- Intention is that economies contribute to and improve this document over time
- Guide does not include info on the U.S. market
 - Hope to update with information from USITC report on remanufacturing in the U.S.

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APEC Remanufacturing Resource Guide

- Sections include:
 - Global Remanufacturing Information Sources
 - Remanufacturing Research Institutions
 - Reman Industry Associations
 - Remanufacturers in the APEC Region
 - Environmental and Economic Benefits of remanufacturing
 - Additional Publications on Remanufacturing
 - Prominent Remanufacturing Experts
 - Annex 1 – Reman facilities in APEC economies

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Conclusions

- U.S. experience demonstrates that the market resolves quality issues and only a light regulatory touch is necessary to protect consumers and firms from deceptive practices
- Building a robust market for remanufactured products can pay dividends to all stakeholders
- Remanufacturing is growing in the Asia-Pacific and is occurring across sectors in APEC economies

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Thank you!

Questions and Answers

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