

June 19, 2014

Mr. Douglas Bell Chair, Trade Policy Staff Committee Office of the Unites States Trade Representative 600 17<sup>th</sup> Street, N.W. Washington, D.C 20508

Institute of

crap Recycling ndustries, Inc.

#### **Re:** Comments on Environmental Goods Agreement at the World Trade Organization Docket Number: USTR-2014-0004

Dear Mr. Bell:

The Institute of Scrap Recycling Industries, Inc. (ISRI) appreciates the opportunity to submit comments to the Office of the U.S. Trade Representative (USTR) on the proposed negotiation of an Environmental Goods Agreement (EGA) to eliminate tariffs on environmental goods. ISRI supports the negotiation of an EGA and invites the USTR to include the full range of recycled commodities and scrap recycling equipment as environmental goods during EGA negotiations. Currently, U.S. companies face a range of overseas import tariffs on exports of U.S. recycled goods and recycling equipment. At the same time, there are no (zero) general duties imposed by the United States on imports of recycled goods such as recovered paper and fiber, ferrous and nonferrous scrap, or plastic scrap. The elimination of tariff barriers on U.S. recycling industry exports would not only promote trade and result in significant environmental benefits, it would also promote U.S. economic growth, create jobs, raise income, and generate additional tax revenue. As such, ISRI is committed to assisting the USTR throughout the EGA negotiation process and would welcome the opportunity to provide additional input on the inclusion of harmonized trade codes covering the full range of recycled commodities and recycling equipment.

#### **About ISRI**

As the "Voice of the Recycling Industry." ISRI is the world's largest trade association of for-profit recyclers, with over 1,600 member companies operating at over 3,000 locations in the United States and globally who process, broker and consume scrap commodities including metals, paper, plastics, glass, rubber, textiles and electronics. An independent economic study conducted by John Dunham & Associates in 2013 found that the U.S. scrap industry generates more than \$87 billion annually in economic activity while directly and indirectly supporting nearly 463,000 jobs. Scrap recycling companies range in size from small family-run operations to very large multinational corporations, but a large proportion of scrap recycling companies in the United States are small and medium enterprises. Of note, scrap recycling facilities are located in every state in the nation. ISRI also represents a wide range of companies that provide equipment and services to the global recycling industry.

## Scrap Recycling and the Environment

The U.S.-based scrap recycling industry is a sophisticated, capital-intensive industry that in recent years has annually transformed approximately 135 million metric tons of prime and obsolete scrap from consumers, businesses, and manufacturers into useful raw materials, conserving significant amounts of energy and natural resources and minimizing environmental emissions. Significantly, the scrap recycling industry is a pivotal player in environmental protection, resource conservation and sustainability. The use of recycled commodities can provide enormous benefits over the use of their virgin counterparts and some commodities can practically be recycled an infinite number of times. As society becomes increasingly aware of the economic, environmental and energy savings associated with using recycled materials, the critical role of the reservoir of raw materials in use becomes increasingly apparent. As a result, recycled commodities and the equipment used to process recyclables are key environmental goods and should be recognized as such.

## The U.S. Recycling Industry and Global Trade

The scrap industry is the first link in the supply chain and the demand for scrap as feedstock by industrial consumers and manufacturers is global in nature. Figures from the U.S. Census Bureau and the U.S. International Trade Commission (ITC) show that the United States exported 42.8 million metric tons of commodity grade scrap in 2013 to 160 countries worldwide for the manufacture of new products. These activities generated \$24 billion in export sales and significantly helped the U.S. trade balance. In terms of volume, scrap materials are among the nation's largest commodity exports, in line with other important commodity export products such as grains, cotton, timber and petroleum. The table below provides details on U.S. scrap exports by major commodity and destination last year, including 19 million tons of recovered paper exports:

	2013
Value of Scrap Commodities Exported:	\$23.7 billion
Metric Tons of Scrap Exported Including:	42.8 million
Iron and Steel (ex-Stainless and Alloys)	17.3 million
Paper	19.0 million
Aluminum	1.9 million
Plastic	1.9 million
Nickel, Stainless and Alloy	1.2 million
Copper	1.2 million
Lead	35,000
Zinc	88,000
Number of Destinations Scrap was Exported To:	160
China	\$8.8 billion
Canada	\$2.0 billion
Turkey	\$1.9 billion
Korea	\$1.6 billion
Taiwan	\$1.4 billion
Germany	\$1.2 billion
Mexico	\$840 million
United Kingdom	\$840 million
India	\$772 million
· · · · · · · · · · · · · · · · · · ·	

## Table 1. U.S. Scrap Exports by Commodity and Major Destination in 2013

Sources: U.S. Census Bureau/U.S. International Trade Commission.

By volume, recovered paper and fiber exports are typically the largest or second largest category of U.S. scrap exports each year. ISRI fully supports the inclusion of recovered paper in the list of environmental goods attached to the U.S. Trade Representative's letter requesting the ITC open an investigation into the economic effects of providing duty-free treatment for the trade in environmental goods dated April 2, 2014. In addition, ISRI invites the USTR to consider adding approximately 80 additional trade codes pertaining to scrap commodities (including ferrous and nonferrous metals, plastic, glass, rubber, textiles and other scrap commodities) to the list of covered environmental goods that are attached to this submission (see Attachment 1).

In addition to recycled commodities, the equipment used to transport, sort and process recyclables including but not limited to shredders, balers, shears, cranes, material handlers, conveyors, magnetic separators and spectro analyzers are highly prized environmental goods that the U.S. exports around the world. According to a study conducted by SAI Industrial LLC in 2012, U.S. exports of recycling equipment totaled \$435 million in 2011 as export sales accounted for 15 percent of total scrap equipment revenues. By major destination, the SAI study found that Canada and Mexico combined accounted for nearly 47 percent of all U.S. export sales of scrap equipment, followed



by Brazil (9 percent), Europe, China, Japan and Chile (all at 6 percent), Australia (4 percent) and South Korea (3 percent). As with scrap commodities, ISRI fully supports the inclusion of the full range of trade codes that cover scrap recycling equipment and would welcome the opportunity to provide additional input on recycling equipment-related codes. (See Attachment 2.)

## Barriers to the Trade in Recycled Commodities and Recycling Equipment

Despite the broad scope of economic and environmental benefits associated with the use of recycled goods and the significant positive contributions made to our balance of trade through the export sales of scrap commodities and scrap recycling equipment, significant barriers to the free trade of those environmental goods continue to exist, including but not limited to tariff barriers. A preliminary examination of import duties applied by our trading partners on recovered paper and fiber shipments found that ad valorem duties faced by U.S. exporters in nine countries ranged from 1 to 15 percent, while the value of the U.S. recovered paper export sales to those countries exceeded \$300 million in 2013. Tariff and trade data provided by the World Trade Organization also show that tariff duties were applied to nearly \$700 million worth of U.S. ferrous scrap exports (HS 7404) annually with ad valorem rates ranging from 0.78 to 6 percent, while U.S. exporters also face a range of import tariffs on the trade of nonferrous metal scrap, including copper and aluminum scrap, and plastic scrap exports as well. In contrast, harmonized tariff data provided by the ITC show that there are no (zero) general duties imposed by the United States on the import of recovered paper and fiber, ferrous and nonferrous scrap, or plastic scrap.

Similarly, there is a significant discrepancy between the tariff barriers faced by U.S. exporters of recycling equipment and the treatment of equipment imports into the United States. As one example, tariff data provided by the WTO show that for HS code 8479.89, which is often used by U.S. companies to report exports of shredders, shredder equipment and other machinery and is included on the USTR's list of environmental goods, U.S. exporters faced ad valorem duties ranging from 1 to 15 percent in more than 25 countries, including:

Importer	Heading	No. of lines (ad val.)	Ad Val. Duties Simple Average	
			MFN	Best
Korea	847989 – Other machines and mechanical appliances, not specified	10	8.00	8.00
Brazil	847989 – Other machines and mechanical appliances, not specified	7	15.14	15.14
India	847989 – Other machines and mechanical appliances, not specified	8	7.50	7.50
Colombia	847989 – Other machines and mechanical appliances, not specified	7	5.00	5.00
Israel	847989 – Other machines and mechanical appliances, not specified	17	5.79	5.79
South Africa	847989 – Other machines and mechanical appliances, not specified	2 3	5.00	5.00
Chile	847989 – Other machines and mechanical appliances, not specified			6.00
Taiwan	847989 – Other machines and mechanical appliances, not specified	2	2.64	2.64
New Zealand	847989 – Other machines and mechanical appliances, not specified	1	5.00	5.00
Indonesia	847989 – Other machines and mechanical appliances, not specified	1	6.67	6.67
Uruguay	847989 – Other machines and mechanical appliances, not specified	8	4.50	4.50
Philippines	847989 – Other machines and mechanical appliances, not specified	1	1.00	1.00

Table 2. Selected Import Tariffs Faced By U.S. Exporters of Machinery Including Shredders and
Shredder Equipment

Source: World Trade Organization.

The harmonized tariff data provided by the ITC show that the United States does not apply tariff duties on the importation of most types of recycling equipment. The net effect is that U.S. producers of recycling equipment are incentivized to produce a greater share of their equipment overseas in order to avoid the tariff barriers faced when selling their equipment into protected overseas markets. The costs include not only the loss of export sales for the United States, but also the loss of domestic jobs, income and tax revenue. The uneven playing field currently faced by our industry generates a wide range of economic costs which should be taken into consideration as part of the trade negotiation framework. Eliminating tariffs overseas would clearly provide a significant boost to U.S. exporters of recycled goods and recycling equipment but would also have broad-based positive implications for the U.S. economy, tax base and balance of trade.

### Conclusions

The scrap recycling industry boosts economic growth, creates jobs and sustains the earth's natural resources, conserves impressive amounts of energy in the manufacturing process and reduces greenhouse gas emissions from those facilities. The export of environmental goods such as scrap commodities and recycling equipment are not only good for the health of the planet, but also have positive impacts on our balance of trade. The United States has already leveled the playing field for the importation of recycled commodities including recovered paper and fiber, metals and plastic scrap, as well recycling equipment such as shredders, balers, shears, cranes, material handlers, conveyors, magnetic separators and spectro analyzers. At the same time, U.S. exporters face significant trade barriers including import tariffs that restrict the free flow of these goods.

ISRI fully supports the proposed negotiation on an EGA and would welcome the inclusion of the full range of scrap and recycling equipment in this and future negotiations. ISRI looks forward to future opportunities to work with the USTR to provide additional information and supplemental material as needed in order to continue advancing these and other solutions on issues important to recycling, the environment and free trade. Thank you very much.

Yours sincerely,

Jic.Uu

Joseph C. Pickard Chief Economist and Director of Commodities, ISRI

Attachments (2)

## Attachment 1

## Scrap Trade Codes

HTS NUM	<u>Commodity</u>	Description	
3915100000	Plastic	WASTE, PARINGS AND SCRAP, OF PLASTICS; OF POLYMERS OF ETHYLENE	
3915200000	Plastic	WASTE, PARINGS AND SCRAP, OF PLASTICS: OF POLYMERS OF STYRENE	
3915300000	Plastic	WASTE, PARINGS AND SCRAP, OF PLASTIC: OF POLYMERS OF VINYL CHLORIDE	
3915900000	Plastic	WASTE, PARINGS AND SCRAP, OF PLASTICS, NESOI	
4004000000	Rubber	WASTE, PARINGS & SCRAP OF RUBBER (OTHER THAN HARD RUBBER) & POWDERS & GRANULES OBTAINED THEREFROM	
4017000000	Rubber	HARD RUBBER (FOR EXAMPLE, EBONITE) IN ALL FORMS, INCLUDING WASTE AND SCRAP; ARTICLES OF HARD RUBBER	
4401300000	Other	SAWDUST AND WOOD WASTE AND SCRAP, WHETHER OR NOT AGGLOMERATED IN LOGS, BRIQUETTES, PELLETS OR SIMILAR FORMS	
4706200000	Paper	PULPS OF FIBERS DERIVED FROM RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD	
4707100000	Paper	RECOVERED (WASTE AND SCRAP) PAPER AND PAPERBOARD: UNBLEACHED KRAFT PAPER OR PAPERBOARD OR CORRUGATED PAPER OR PAPERBOARD	
4707200020	Paper	HIGH-GRADE DEINKING WASTE PAPER AND PAPERBOARD	
4707200040	Paper	WASTE AND SCRAP OF OTHER PAPER OR PAPERBOARD, NESOI, MADE MAINLY OF BLEACHED CHEMICAL PULP, NOT COLORED IN THE MASS	
4707300020	Paper	NEWSPRINT WASTE AND SCRAP PAPER	
4707300040	Paper	WASTE AND SCRAP OF PAPER OR PAPERBOARD MADE MAINLY OF MECHANICAL PULP, NESOI	
4707900000	Paper	WASTE AND SCRAP OF PAPER OR PAPERBOARD, NESOI, INCLUDING UNSORTED WASTE AND SCRAP	
6310100000	Textile	USED OR NEW RAGS, SCRAP TWINE, CORDAGE, ROPE AND CABLES, AND WORN-OUT ARTICLES OF TWINE, CORDAGE, ROPE OR CABLES, OF TEXTILE MATERIALS: SORTED	
6310900000	Textile	USED OR NEW RAGS, SCRAP TWINE, CORDAGE, ROPE AND CABLES, AND WORN-OUT ARTICLES OF TWINE, CORDAGE, ROPE OR CABLES, OF TEXTILE MATERIALS: NESOI	
7001000000	Glass	CULLET AND OTHER WASTE AND SCRAP OF GLASS; GLASS IN THE MASS	
7112100000	Gold	WASTE AND SCRAP OF GOLD, INCLUDING METAL CLAD WITH GOLD BUT EXCLUDING SWEEPINGS CONTAINING OTHER PRECIOUS METALS	
7112200000	Platinum	WASTE AND SCRAP OF PLATINUM, INCLUDING METAL CLAD WITH PLATINUM BUT EXCLUDING SWEEPINGS CONTAINING OTHER PRECIOUS METALS	

	Other Precious		
7112300000	Metals	ASH CONTAINING PRECIOUS METALS OR PRECIOUS METAL COMPOUNDS	
		WASTE AND SCRAP OF GOLD, INCLUDING METAL CLAD WITH GOLD BUT EXCLUDING SWEEPINGS CONTAINING	
7112910000 Gold OTHER PRECIOUS METALS			
7112020000		WASTE AND SCRAP OF PLATINUM, INCLUDING METAL CLAD WITH GOLD BUT EXCLUDING SWEEPINGS	
7112920000	Platinum Other Precious	CONTAINING OTHER PRECIOUS METALS	
7112990000		OTHER PRECIOUS METAL WASTE AND SCRAP, NOT ELSEWHERE SPECIFIED OR INCLUDED	
7204100000	Ferrous	CAST IRON WASTE AND SCRAP	
7204210000	Nickel/Stainless	STAINLESS STEEL WASTE AND SCRAP	
7204290000	Ferrous	ALLOY STEEL WASTE AND SCRAP NOT STAINLESS	
7204300000	Ferrous	TINNED IRON OR STEEL WASTE AND SCRAP	
7204410020	Ferrous	NO 1 BUNDLES STEEL SCRAP	
7204410040	Ferrous	NO 2 BUNDLES STEEL SCRAP	
7204410060	Ferrous	BORINGS, SHOVELINGS AND TURNINGS STEEL SCRAP	
7204410080	Ferrous	SHAVINGS, CHIPS, MILLING WASTE, SAWDUST, FILINGS, TRIMMINGS, STAMPINGS STEEL SCRAP	
7204490020	Ferrous	NO 1 HEAVY MELTING STEEL SCRAP	
7204490040	Ferrous	NO 2 HEAVY MELTING STEEL SCRAP	
7204490060	Ferrous	CUT PLATE AND STRUCTURAL STEEL SCRAP	
7204490070	Ferrous	SHREDDED STEEL SCRAP	
7204490080	Ferrous	OTHER FERROUS SCRAP	
7204500000	Ferrous	REMELTING SCRAP INGOTS, FERROUS SCRAP	
7404000010	Copper	COPPER WASTE AND SCRAP, REFINED NO 1 COPPER, BARE BRIGHT WIRE	
7404000015	Copper	COPPER WASTE AND SCRAP, REFINED NO 1 COPPER, EXCEPT BARE BRIGHT WIRE	
7404000020	Copper	WASTE AND SCRAP OF REFINED COPPER	
7404000025	Copper	COPPER WASTE AND SCRAP, REFINED NO 2 COPPER	
7404000030	Copper	COPPER WASTE AND SCRAP, REFINED COPPER, NESOI	
7404000041	Copper	BRASS WASTE AND SCRAP, RED AND SEMI-RED, CONTAINING MORE THAN 0.3 PERCENT LEAD	
7404000045	Copper	WASTE AND SCRAP OF COPPER-ZINC BASE ALLOYS (BRASS) CONTAINING MORE THAN 0.3 PERCENT OF LEAD	
7404000046	Copper	BRASS WASTE AND SCRAP, RED AND SEMI-RED, CONTAINING 0.3 PERCENT OR LESS LEAD	

7404000051		BRASS WASTE AND SCRAP, YELLOW CLIPPINGS, TURNINGS AND ROD ENDS, CONTAINING MORE THAN 0.3 PERCENT LEAD	
		BRASS WASTE AND SCRAP, YELLOW CLIPPINGS, TURNINGS AND ROD ENDS, CONTAINING 0.3 PERCENT OR LESS	
7404000056	Copper	LEAD	
7404000061	Copper	BRASS WASTE AND SCRAP, YELLOW, CONTAINING MORE THAN 0.3 PERCENT LEAD, NESOI	
7404000062	Copper	WASTE AND SCRAP OF BRASS CONTAINING 0.3 PERCENT OR LESS LEAD	
7404000066	Copper	BRASS WASTE AND SCRAP, YELLOW, CONTAINING 0.3 PERCENT OR LESS LEAD, NESOI	
7404000070	Copper	Does Not Show Up When Graphs Are Run	
7404000075	Copper	COPPER ALLOY WASTE AND SCRAP, NESOI	
7404000080	Copper	OTHER COPPER ALLOY WASTE AND SCRAP, NESOI	
7404000085	Copper	MIXED SOLIDS AND TURNINGS OF COPPER AND COPPER ALLOY SCRAP, FREE OF INSULATED WIRE AND GRINDINGS	
7404000095	Copper	MIXED COPPER AND COPPER ALLOY SCRAP, NESOI	
7503000000	D3000000 Nickel/Stainless NICKEL WASTE AND SCRAP		
7601209075	Aluminum	REMELT SCRAP INGOT, ALUM ALLOY	
7602000030	Aluminum	ALUMINUM USED BEVERAGE CONTAINER SCRAP	
7602000090	Aluminum	ALUMINUM WASTE AND SCRAP OTHER THAN USED BEVERAGE CONTAINER SCRAP	
7802000030	Lead	LEAD WASTE AND SCRAP OBTAINED FROM LEAD-ACID STORAGE BATTERIES	
7802000060	Lead	LEAD WASTE AND SCRAP OTHER THAN OBTAINED FROM LEAD-ACID STORAGE BATTERIES	
7902000000	Zinc	ZINC WASTE AND SCRAP	
8002000000	Tin	TIN WASTE AND SCRAP	
8101970000	Tungsten	TUNGSTEN WASTE AND SCRAP	
8103103000	Tantalum	TANTALUM WASTE AND SCRAP	
8103300000	Tantalum	TANTALUM WASTE AND SCRAP	
8104200000			
8105300000	Cobalt	COBALT WASTE AND SCRAP	
8106000000	Bismuth	BISMUTH AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP	
8107300000	Cadmium	UNWROUGHT CADMIUM; WASTE AND SCRAP	
8108101000	Titanium	TITANIUM WASTE AND SCRAP	
8108300000	Titanium	TITANIUM WASTE AND SCRAP	

8109300000	Zirconium	ZIRCONIUM WASTE AND SCRAP	
8110200000	Antimony	ANTIMONY WASTE AND SCRAP	
8111000000	Manganese	MANGANESE AND ARTCLES THEREOF, INCLUDING WASTE AND SCRAP	
8112113000	Beryllium	BERYLLIUM WASTE AND SCRAP	
8112130000	Beryllium	BERYLLIUM WASTE AND SCRAP	
8112220000	Chromium	CHROMIUM WASTE AND SCRAP	
8112300000	Germanium	GERMANIUM AND ARTICLES THEREOF INC WASTE AND SCRAP	
8112400000	Vandium	VANADIUM AND ARTICLES THEREOF, INC WASTE AND SCRAP	
8112520000	Thallium	THALLIUM WASTE AND SCRAP	
	Other Base		
8112920500	Metals	BASE METALS, WASTE AND SCRAP, NESOI	
	Other Base		
8112920600	Metals	BASE METALS, WASTE AND SCRAP, NESOI	

## Attachment 2

# Selected Examples of Trade Codes Used to Report Recycling Equipment Exports

		•	
	HTS	Description	HTS Category
х	392390	Recycling equipment: conveyors	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics: other
х	591000	Conveyer belt for recycling equipment	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material:
х	820330	Metal Cutting Shears, Cable Cutters	Metal cutting shears and similar tools, and parts thereof
х	842641	Logger with Crane	Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane: on tires
х	842839	Conveyer	Other lifting, handling, loading or unloading machinery (for example, elevators, escalators, conveyors, teleferics): other
х	842890	Material Handler	Other lifting, handling, loading or unloading machinery (for example, elevators, escalators, conveyors, teleferics): other machinery
х	842959	Baler	Self-propelled bulldozers, angledozers, graders, levelers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers: other
х	843139	Conveyer Parts	Parts suitable for use solely or principally with the machinery of headings 8425 to 8430: other
У	847410	Sorting Machine	Sorting, screening, separating or washing machines
У	847420	Crushing or Grinding Machines	Crushing or grinding machines
У	847490	Pulverizer Parts	Sorting, screening, separating or washing machines: parts
У	847982	Crushers/Grinding Machines	Mixing, kneading, crushing, grinding, screening, sifting, homogenizing, emulsifying or stirring machines
У	847989	Shredder, Shredder parts, briquetter	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this chapter; parts thereof: other
У	847990	Granulator/Crusher, Auto Shredder Parts	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this chapter; parts thereof: parts
У	850519	Scrap Handling Magnet	Electromagnets; permanentmagnets and articles intended to become permanent magnets after magnetization;electromagnetic or permanent magnet chucks, clamps and similar holding devices;electromagnetic couplings, clutches and brakes; electromagnetic lifting heads; parts thereof: other

x 8505	Gate Magnets	Electromagnets; permanent magnets and articles intended to become permanent magnets after magnetization; electromagnetic or permanent magnet chucks, clamps and similar holding devices; electromagnetic couplings, clutches and brakes; electromagnetic lifting		
y 850590	Magnetic Separator	Electromagnets; permanentmagnets and articles intended to become permanent magnets after magnetization; electromagnetic or permanent magnet chucks, clamps and similar holding devices; electromagnetic couplings, clutches and brakes; electromagnetic lifting heads; parts thereof: including other parts		
y 854800	Pulverizer/Grinding system, Shredder and Parts	Waste and scrap of primarycells, primary batteries and electric storage batteries; spent primary cells, spent primary batteriesand spent electric storage batteries; electrical parts of machinery or apparatus, not specified orincluded elsewhere in this chapter:		
x 8609	Metal storage bins	Containers (including containers for the transport of fluids) specially designed and equipped for carriage by one or more modes of transport		
y 870510	Moblile cranes	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, wreckers, mobile cranes, fire fighting vehicles, concrete mixers, road sweepers, spraying vehicles, mobile workshops, mobile radiolog: mobile cranes		
y 902730	Spectro photometer	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or Spectrometers, spectrophotometers and spectrographs using optical radiations (ultraviolet, visible, infrared):		
x 940320	Metal sorting table	Other furniture and partsthereof: other metal furniture		
x: not currently included in list of environmental goods				

y: included in list of environmental goods