

U.S. DEPARTMENT OF COMMERCE

International Trade Administration

U.S. Cleantech Trade & Investment Mission

AGENCY: International Trade Administration, Department of Commerce

ACTION: Notice

MISSION DESCRIPTION

The United States Department of Commerce's International Trade Administration, U.S. and Foreign Commercial Service (USFCS), and Economic Development Administration (EDA) are holding the first ever U.S. Clean Technology Trade & Investment Mission to Lyon, France, November 29 – December 2, 2010 and to Brussels, Belgium, December 2 – 4, 2010. This joint mission will be led by senior Department of Commerce officials Brian McGowan, Deputy Assistant Secretary for Economic Development, and Karen Zens, Deputy Assistant Secretary for International Operations (OIO) of the USFCS. This mission is designed to advance President Obama's economic growth initiatives and Secretary Locke's goal of simplifying access to the Department of Commerce's diverse suite of resources – all for the purpose of employment generation. This initiative will support both bureaus' job creation goals by increasing exports and attracting foreign direct investment (FDI), placing a particular emphasis on the clean technology sector.

This mission is especially significant as it includes, for the first time ever, both U.S. companies and delegates from U.S. communities. Please see the section titled "Participation Requirements" below for more information on community delegates and selection criteria that will be used to evaluate applicants. While traditional trade missions are limited to business-to-business connections, the addition of communities in this model provides much broader access to U.S. companies by leveraging regional business networks. Community delegates will focus on clean technologies as a key

component of their regional strategies for increasing exports and attracting FDI. Therefore, this new model allows the mission to advance a variety of Presidential and Department of Commerce priorities simultaneously, including job creation, export development, attracting FDI, building the green economy, and advancing regional innovation clusters.

COMMERCIAL SETTING

France

France is an economic and political leader in the Eurozone due to its size, location, large economy, membership in European organizations, and energetic diplomacy. With a GDP of \$2.865 trillion¹, France is the world's fifth-largest economy. France's economy also ranks the second highest in trade volume for Western Europe (after Germany).

Both trade and investment between the U.S. and France are strong and are key factors for companies and communities to participate in the mission. On average, over 1 billion dollars in commercial transactions take place between France and the U.S. every day, with the U.S. being France's sixth largest supplier and its sixth largest customer. France ranks as the United States' eighth largest trading partner for total trade. Currently, there are approximately 2,300 French subsidiaries in the U.S. that provide more than 520,000 jobs and that generate an estimated \$235 billion in turnover annually. As for investment, the U.S. is the top destination for French investments worldwide. In 2008, French direct investment inflow to the U.S. was approximately \$14 billion. Foreign firms have invested in the U.S. through acquisitions and with greenfield investments. Between 2004 and 2008, France's FDI stock in the United States increased from \$138 billion to over \$163 billion. This makes this mission an ideal platform for companies and communities to position themselves for investment and export successes. Further, French FDI to the U.S. supports almost 500,000 jobs. Concurrently, the U.S. is the largest foreign direct investor in France, employing over 650,000 French citizens with aggregate

¹ All currencies given are in U.S. dollars.

investment estimated at \$75 billion in 2008. This makes the U.S. more attractive to French investors and foreign direct investment.

Renewable Energy

France possesses vast renewable energy resources, including wind, geothermal energy, and biomass, all of which have shown substantial growth in recent years. France is also currently ranked 2nd highest in the EU in terms of biofuel production and use. A continued increase in the level of production helps consolidate the nation's position. Both tax reductions and capital grants are in place to promote biofuels. In addition, major potential exists in the area of solid biomass. Biomass accounts for two thirds of all the renewables used in France today and hydro power for another third.

As France's government sets new goals in terms of green energy, U.S. communities have a window of opportunity to promote their regional businesses to play a pivotal role in providing the means to increase renewable energy capacity. Wind and solar power especially are at the core of a new push by the French government to increase the renewable share of total energy consumption from 6.7 percent in 2004 to 20 percent by 2020. Also, installed capacity for photovoltaic (PV) power is to increase from 32.7 MW in 2006 — about 100 times less than Germany — to 3,000 MW by 2020. In addition, 5 million solar thermal units are to be installed in buildings by 2020, 80 percent of these in homes. All these factors considered create a large market of potential buyers for U.S. businesses, and therefore provide strong job creation potential for U.S. communities that are working to develop regional innovation clusters focused on the cleantech sector.

Water Resources Equipment and Services

One of the "best prospects" for U.S. business in France is water resources equipment and services. The total French market for water treatment equipment and related services is estimated to be worth \$23 billion. A stable economy and financial institutions, stronger European Union (E.U.) regulations, and

greater public awareness and the increasing costs associated with polluting have played a major role in an expanding market for water treatment equipment and services. In addition, greater interest in complying with environmental regulations by national and local government officials has stimulated this market. Despite the current financial and economic challenges, the water sector is still expected to grow at a stable rate and provide continued market opportunities in a number of areas.

Best prospects include wastewater sludge treatment; installation and maintenance of stand-alone sewage treatment tanks; remote monitoring technology; and membranes and water filters. Non point source pollution management and water conservation including leak detection and reclamation are becoming of major importance.

Pollutec

Pollutec is an International Exhibition of Environmental Equipment, Technology and Services for industry and local authorities. Pollutec is a key exhibition for U.S. companies and community delegates to attend as it is the world's leading event for the environmental market with 8,422 professionals from 110 countries all in search of comprehensive solutions to the environmental and economic challenges today. This creates the perfect atmosphere to meet industry professionals and key players in order to create expansion opportunities and to publicize products and regions. In its 24th edition, Pollutec will also bring together 2,400 exhibitors offering products across a range of sectors and 75,000 trade visitors from industry, local authorities, construction and the service sector. This year especially the exhibition has seen a shift in its visitors' prime focus with 39.7% of the visitors interested in energy, more specifically renewables, energy saving and efficiency, combating greenhouse gases, and urban mobility. Companies and communities will be amongst the first to capture this shift in focus and turn it into tangible exports sales and FDI.

For four days, U.S. community delegates and companies will network with potential trading and

investment partners in the cleantech sector through customized one-on-one meetings with foreign companies arranged through a DOC/Pollutec partnership. Meanwhile, they will also learn about the latest cleantech trends and technologies through the Pollutec exhibition, which will feature all the techniques for prevention and treatment of various sources of pollution and more generally the preservation and implementation of environmental preservation and sustainable development. Pollutec offers an assortment of exhibition sectors including: treatment of pollutant gases; analysis, measurement and monitoring; energy and greenhouse gases; renewable energy; CO2 collection and storage; eco-management; biofuel; low consumption vehicles; electric vehicles; industrial, natural, and sanitary risks; services and sustainable development; waste treatment and services; and recycling. An outstanding conference program will also run parallel including 320 seminars, presentations, and technical conferences by experts and associations.

Belgium

Densely populated Belgium is located at the heart of Europe's most industrialized region. Belgium per capita GDP ranks among the world's highest with a total of \$390.2 billion in 2008. The U.S. ranks as Belgium's 5th principal trading partner; with Belgium ranked 18th for largest U.S. trading partner. The Belgian market is small enough that a huge European-wide commitment to a new product is not necessary, yet diverse and competitive enough that it offers a representative sample of potential buyers and competitors. Belgium's trade advantages are derived from its central geographic location and its highly skilled, multilingual, and productive workforce. With a total of 10.5 million people, the population density is the second highest in Europe, after the Netherlands, and is heavily reliant on international trade for its prosperity. Belgium's central location in the wealthy region of Europe makes the country an ideal gateway for exports to Europe. Within a radius of 300 miles, 140 million EU consumers can be reached (equivalent to almost 50% of the U.S. population) representing 60% of Europe's purchasing power. The government has focused its national reform program on key priorities intended to achieve long-term sustainable growth prospects, such as protecting the environment.

Belgium is one of the top 20 markets for U.S. environmental exports. U.S. green exports to Belgium grew by 50% since 2002 and in 2009, U.S. green exports reached ½ billion dollars (40% water, 30% air pollution control, 24% solid waste, and 6% other). These exports include products such as chemicals and supplies, and services such as consulting and engineering. Some of Belgium's leading commercial sectors for U.S. export and investment are solid waste disposal, water and wastewater, air, green building, and renewable energy.

The total stock of Belgian FDI in the U.S. was \$18.6 billion in 2008, making it the 15th largest direct investor in the U.S. The flow of FDI from Belgium to the U.S. was negative \$5.8 billion in 2008, a substantial decrease from the \$13.9 million inflow to the U.S. in 2007. However, overall between 2004 and 2008, Belgian FDI stock in the United States increased from \$12.6 billion to \$18.6 billion. Belgian FDI in the U.S. supports 141,000 jobs.

Invest In America

Belgium has also hosted two Department of Commerce Invest In America (IIA) events, and those events resulted in greater success than other IIA events in any other country to date. The first IIA event from just a year and a half ago has produced five investment successes in California, Indiana, Virginia and Florida. However there are other successes that have not yet been recorded making it an even larger success. The most recent IIA event held a few months ago has already produced three investments. The Council of American States in Europe (C.A.S.E.), which helps European companies locate production sites or sales and distribution operations for their products and services in the U.S., has stated emphatically that Brussels holds the most qualified participants and generates the most investment results compared with other investment roadshows. The past events have attracted participants from the Netherlands, Germany, France and the UK, and we expect similarly broad participation in this portion of the mission as well.

Water & Wastewater

In 2009, 40% of U.S. environmental exports to Belgium are related to water and wastewater. This equaled over USD 200 million in products and services. Trends and best prospects for this sector are infrastructure projects to build wastewater treatment plants or more specifically small – scale “start to finish” wastewater treatment projects or water filtration systems for drinking water.

Solid Waste Disposal and Treatment

As Belgium faces numerous pollution problems, they realize that proper management of solid waste is a central pillar of forward-looking, sustainable environmental policies. As a result, it is attempting to figure out how to minimize the environmental impacts from waste treatment, while optimizing energy and material recovery and minimizing the costs.

In 2009 24% of U.S. environmental exports to Belgium were related to solid waste, recycling and soil remediation. This equaled USD 110 million in products and services. Compared to other EU countries, Belgium is at the forefront of solid waste disposal and treatment. For example, Belgium has a voluntary waste policy program. This means that municipalities, under certain agreements, can receive subsidies by achieving pre-specified residential solid waste targets. Also, through their advanced separate trash collection programs, the residual waste items in Flanders (Flemish speaking part of Belgium) have been reduced to about 160 kg per capita, per year whereas the European average for waste items is about 320 kg per capita. Best prospects for U.S. firms in this sector include but are not limited to plastic sorting technology, waste separation, selective collection systems, and waste-to-energy technologies.

It is also important to note that a trade and investment mission to Belgium does not preclude exposure and partnership opportunities with other European countries. On the contrary, groups from other countries operate a large part of the Belgian waste market, making Belgium an optimal choice for U.S. companies and communities to pursue trade and FDI opportunities.

Energy

The energy sector has long been one of Belgium's leading industries. Current shifts such as de-regulation and liberalization, the discussion on the phasing or non-phasing out of nuclear energy and the push for renewable energy creates a great export opportunity to U.S. companies to enter the market. Nuclear energy still accounts for more than 50% of Belgium's electricity production. However, under the efforts from the former "green" government to phase out nuclear energy between 2015 and 2025, there is major room for improvement on energy efficiency. A commission of experts concluded that phasing out nuclear energy should be compensated by the construction of gas plants, the exploitation of wind energy, biomass and cogeneration and a reduction in electricity consumption, or higher efficiency of electricity production. Each region actively promotes these new technologies through various financial incentives. The level of subsidies varies according to the type of enterprise and the introduction of new energy efficiency policies, particularly environmental. This drive towards clean energy provides a prime opportunity for U.S. cleantech regional innovation clusters to boost exports to Belgium.

MISSION GOALS

- Support the President’s initiative to double exports during the next five years to support 2 million American jobs by connecting U.S. communities and companies with potential European trading partners.
- Promote the U.S. green economy by connecting representatives of U.S. regional innovation clusters focused on cleantech with potential foreign investors and trading partners.
- Progress in addressing cleantech market access barriers to trade and investment between participating nations;
- Increase awareness of President Obama’s priorities in promoting exports
- Welcome foreign direct investment in the cleantech sector
- Help companies gain valuable international business experience in the rapidly growing renewable energy and cleantech market.
- Help U.S. communities strengthen their engagement in the worldwide marketplace, which will lead to increased exports and FDI, and, in turn, job creation.

MISSION SCENARIO

Participants will gain from operating on a two track mission: export promotion and foreign direct investment attraction. Companies will promote their products and services while communities will promote the competitiveness of their economic regions as promising investment opportunities for foreign companies. U.S. companies and communities will benefit through open opportunities via matchmaking support to facilitate discussions with international firms at Pollutec in Lyon, and in networking forums in Brussels. ITA will be able to expand its trade mission model from a “U.S. company to foreign company” to “U.S. community to foreign company” format. As each U.S. community represents many companies, this format offers the potential for exponential growth in U.S. exports and of FDI in the U.S.

TIMETABLE

- The proposed schedule allows for four days in Lyon and two days in Brussels

Day of Week	Date	Activity
Monday	Nov 29 Lyon	Clean technology site visit organized by ERAI (Rhone – Alps Economic Development Agency) TBC Delegation Greeting Briefing by ERAI and U.S. Commercial Service Social/networking mixer with ERAI TBC
Tuesday	Nov 30 Lyon	Exhibition and Conference Opening ceremonies U.S. Technology Country of Honor Networking Luncheon TBC Conference presentations Evening Lyon City Hall Reception – 500 guests (U.S. delegation as the guest of honor) TBC
Wednesday	Dec 1 Lyon	Conference Presentations One – on – One Matchmaking U.S. Pavilion Exhibition activities
Thursday	Dec 2 Lyon / Brussels	Conference Presentations One- on- One Matchmaking U.S. Pavilion Exhibition activities U.S. Pavilion afternoon onsite reception Depart for Brussels via train or air U.S. Ambassador’s Reception (TBC)

Friday	Dec 3 Brussels	Company Delegates Visit to Nike Logistics Center / Business Roundtable Community Delegates hold Invest in America program at U.S. Commercial Service Offices Combined business networking luncheon NATO Visit to discuss cleantech needs for new NATO/HQ
Saturday	Dec 4 Brussels	Depart

Package Includes:

- Matchmaking and networking
- Access to VIP lounge
- Networking receptions and luncheon (TBC)
- U.S. Pavilion exposure including promotion through shared exhibit space (literature display) and meeting point
- Access to Pollutec trade exhibition, conference, and presentations
- Visit to cleantech cluster in Rhone-Alps region (TBC)

PARTICIPATION REQUIREMENTS

All parties interested in participating in the U.S. Cleantech Trade & Investment Mission must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A maximum of 20 companies and 20 community delegates will be considered for the mission.

I. Fees and Expenses: After a company or community delegate has been selected to participate

on the mission, a participation fee paid to the U.S. Department of Commerce is required.

The participation fees are:

- **Companies:**
 - large company (for one representative): \$3588
 - small or medium-sized (less than 500 employees) company (for one representative):
\$3395

- **Community delegate** (one person): \$2195²

- **Additional representatives** (company or community delegate): \$400 per participant

Expenses for travel, including airfare, lodging, in-country transportation (except for airport transfers and bus transportation to/from group meetings), meals, and incidentals, will be the responsibility of each mission participant.

Companies and community delegates can also choose to separately purchase their own exhibit in the U.S. Pavilion. Hotels are at a premium and sell out quickly; an early commitment to Pollutec is highly recommended.

II. Conditions for Participation:

² The Department continues to review the fee for community delegate participation and options for direct financing of the economic development component mission expenses, which could lower the cost for community delegates. Please see the trade mission website at [insert web address] for the most current information.

ALL APPLICANTS, whether a company or a community delegate, must:

- Submit a completed and signed mission application, and, if selected, a signed Participation Agreement, and a completed Market Interest Questionnaire.
- Certify that the products and services to be promoted through the mission are either produced in the United States or marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service
- If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.

COMPANIES must include adequate information on:

- The company's products and/or services, primary market objectives, and goals for participation, and previous company activities or initiatives participated in to advance regional economic development.

COMMUNITY DELEGATES may be a:

- State or local government official,
- University official,
- Non-profit representative, or
- Representative of an EDA-recognized regional entity.

In addition, each **COMMUNITY DELEGATE** must be

- The authorized representative of the governmental entity or entities responsible for implementing a regional, State, or local economic development strategy. At the time of application, a community delegate must demonstrate that they the authorized representative by providing documentation as follows:
 - For delegates representing the entity responsible for implementing a regional plan and EDA-recognized regional entities, the delegate must provide either:
 - a letter from the director or governing body of the regional entity, or
 - a letter or resolution from each governmental entity that makes up a region (for example, a resolution passed by the county commission of each county that makes up a region),
 - For delegates representing a State, the delegate must provide a letter from the applicable Governor or the Governor's designated representative, and
 - For delegates representing a local government, the delegate must provide a resolution passed by or letter from the local government (for example, a letter from the city's mayor or a resolution passed by the county commission, as applicable).
- The Department of Commerce may consider applications from non-profit organizations that represent such communities on a national basis. Authorized representative documentation is not required for such organizations.
- **COMMUNITY DELEGATES** must demonstrate at the time of application how their community's economic development strategy promotes increased exports and foreign direct investment in general, and the green economy in particular.
- Additional representatives accompanying community delegates must adhere to the selection

criteria applicable to community delegates.

III. Selection Criteria for Participation:

The following factors will be used to select participants:

- **Companies:**

- Suitability of the company's products or services for the renewable energy and cleantech market
- Participation in coordinated economic development strategies for their community.
- Potential for business in France and Belgium, including the likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the mission

- **Community delegates:**

- Consistency of the community's economic strategic plan with the stated scope of this mission,
- Broad U.S. geographic diversity,
- Industry cluster representation related to advancing the green economy, and
- Community economic distress levels.

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Commerce Department trade mission calendar (<http://www.ita.doc.gov/doctm/tmcal.html>) and other internet web sites, press releases to general and trade media, email, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. The ITA and EDA will explore and welcome outreach assistance from other interested organizations, including other U.S. Government agencies. Recruitment for the mission will begin immediately and close on August 15, 2010 for community delegates and October 15, 2010 for companies. The staggered timeline allows for logistical flexibility for community delegates. Applications received after that time will be considered only if space and scheduling constraints permit.

Information can also be obtained by contacting the mission contacts listed below.

CONTACTS

Companies, please contact:

U.S. Commercial Service

Name: Teresa Yung

E-mail: Teresa.Yung@trade.gov

Phone: (202) 482 – 5496

Economic Development Administration

Community delegates, please contact:

Name: Bryan Borlik

E-mail: BBorlik@eda.doc.gov

Teresa Yung

Global Trade Programs

Commercial Service Trade Missions Program

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