

Bicycle Product Suppliers Association
PeopleForBikes Coalition
Bob Margevicius Testimony
on an
Environmental Goods Agreement

Good morning. My name is Bob Margevicius. I am Executive Vice President of Specialized Bicycle Components, Inc. and serve on the Board of Directors of Bicycle Product Suppliers Association and am also an active volunteer with PeopleForBikes Coalition.

BPSA is a trade association representing manufacturers and suppliers of bicycles, parts, accessories and services. Our association leads industry initiatives in governmental affairs and safety issues. The BPSA is the leading resource for bicycle statistical data and regulatory advice; BPSA also provides a networking and educational forum for members.

PeopleForBikes is the national movement to unite millions of Americans for bicycling. PeopleForBikes works in cities and nationally to help put more bike paths, lanes, and trails on the ground for all kinds of bicycling.

BPSA and PeopleForBikes propose that bicycles and bicycle parts be included in the list of environmental products for tariff reduction negotiation as part of the Environmental Goods Agreement.

At present, numerous countries impose steep tariffs on the importation of bicycles and bicycle parts, including the U.S. Here in the U.S., bicycles have duties ranging up to 11 percent; and many types of bicycle parts categories also carry high duties. The current high tariffs on bicycles and bicycle parts do not protect any significant domestic manufacturing. Rather they impose extra, unnecessary costs to anyone purchasing these products. It particularly impacts low-income individuals who are most likely to adopt bicycle transportation in lieu of more costly automobile transportation.

These categories are very appropriate for inclusion in the environmental products list for the Agreement. The benefits of bicycling are significant, in terms of energy savings, relief of urban congestion, and the promotion of a healthier lifestyle. Bicycles represent a zero-emissions form of transportation that offsets use of other, less clean forms of commuting, like the gasoline engine automobile.

As human transport vehicles with no gas or other fuel consumption, no CO₂ emissions, no air pollutants, and zero emissions, bicycles are a low-environmental-impact means for people to get around. Public policy, such as the policy reflected in the current Environmental Goods

Bicycle Product Suppliers Association/PeopleForBikes

Testimony of Bob Margevicius

Trade Policy Staff Committee

June 5, 2014

Page 2

Agreement initiative, could substantially increase the use of bicycles as a means of transportation, thereby having a meaningful long-term environmental benefit.

Numerous studies have quantified the environmental benefits of bicycle transportation versus other modes and we cite many of those studies in our written testimony. For just one example, a study of transportation patterns in New York City showed that if 5 percent of the city's residents commuting by private car or taxi switched to bicycling to work, they could save 150 million pounds of CO₂ emissions per year—the equivalent to the amount which would be reduced by planting a forest 1.3 times the size of Manhattan.

Also, statistics show that bike-sharing systems, from which bikes are rented for short trips, are exploding in popularity worldwide. Bike-sharing systems offer a low-cost way to move people around cities—building bike-sharing stations is a much less expensive proposition when compared to building new highway capacity, parking facilities, transit, or bus routes. In addition to the lower cost to governments and taxpayers, bike-sharing systems reduce communities' carbon footprints. The millions of users who choose bicycling instead of driving a car or taking transit are already reducing overall CO₂ emissions.

Although there have been impressive strides in bicycle commuting and bike-sharing in the United States and internationally, governmental encouragement through infrastructure support and policy initiatives, such as environmental trade preferences, could have a major influence on participation. Specifically, bike-sharing is still in its infancy. Recent trends in the United States show that this transportation and environmental solution is being embraced by progressive communities. It is a simple transportation solution. Bike-sharing systems open the door to bicycling for many people who are otherwise forced to rely on other, fuel-burning forms of transportation. Once people experience first-hand the clear benefits of bicycling, they often move to purchase bicycles of their own.

Finally, it is important to note that the bicycle is already a commonly used method of transportation here in the U.S. and across the globe, and there is tremendous opportunity to put more people on bikes and improve the environment. There is a vast infrastructure that is constantly growing to accommodate more users. Therefore, adopting a policy change that would result in lower-cost bicycles and bicycle products will have an immediate, direct positive effect on the environment.

I am available to answer any questions you may have.