

U.S. to Join EU in WTO Case Against Auto Recycling Fee

By [The Moscow Times](#)

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WASHINGTON — The United States plans to join the European Union in a World Trade Organization case that challenges a Russian auto recycling fee program as an illegal trade barrier against imported cars, the top U.S. trade official said Thursday.

"There's now a case being brought against them on the auto recycling fee in the WTO and we'll be joining that case," Froman told the House of Representatives Ways and Means Committee at a hearing on the U.S. trade agenda.

The EU filed its case earlier this month, complaining that Russia was illegally protecting its carmakers with a recycling fee levied only on imported cars.

The action followed repeated warnings from Brussels about what it sees as Russia's noncompliance and loud dissent in Russia about the merits of being in the WTO at all.

Joining the WTO is a compact, with the cost of signing up to tough standards offset by the benefits of gaining access to a globally regulated market with guarantees against protectionism.

Russia's critics say it has never made good on its obligations, and the car levy, introduced nine days after Russia became a member, is one of a slew of non-compliant policies on goods ranging from alcoholic drinks to combine harvesters.

Importing a car to Russia involves paying a fee to cover the future cost of recycling it, a form of a green tax. Cars produced in Russia, however, are not subject to the same charge, making it, in the EU's eyes, in effect an import tax.

Cutting import tariffs on cars was a major sticking point in Russia's 18-year negotiation to join the WTO. Moscow agreed to do so, but the EU says the recycling fee, collected up-front when a car is imported, effectively cancels out the tariff cut.

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