Highlighting Key Activities, February–March 2016

During the months of February and March 2016, USCIB staff met with Mark Linscott and Jai Motwane (USTR) on the WTO and TTIP negotiations, participated in APEC ITC, Customs, and Health meetings, represented members at OECD meetings on Investment, anti-Bribery, and State-Owned Enterprises, submitted formal comments to the ITC on the TPP, met with CBP and USTR about TPP and the MPF, spoke on panels in D.C., Paris, and Silicon Valley, and much more. Below are summaries of these and other highlights from the activities of USCIB in Washington, D.C. over the last two months. If you have any questions or comments, or want more information on a specific topic, please contact any of the staff members listed at the end of this brief.

Table of Contents:

1. **Trade and Investment** – Opening Global Markets for Trade and Investment
2. **ICT Policy** – Promoting Sound Policies for New Technologies
3. **Tax** – Advancing Tax Policies that Promote U.S. Competitiveness
4. **Customs and Trade Facilitation** – Reducing Barriers and Costs from Customs and Border Control Practices
5. **Corporate Responsibility** – Developing Standards and Principles, Increasing Awareness of Positive Business Impact
6. **Health** – Business Engagement for Balanced International Health and Nutrition Regulations
8. **Membership**
9. **Upcoming Events**
10. **Staff List**
USCIB Trade Committee Meets with Mark Linscott and Jai Motwane from USTR: At the March 9, 2016, meeting of the USCIB Trade and Investment Committee, Mark Linscott, Assistant U.S. Trade Representative for WTO and Multilateral Affairs, provided a wide-ranging assessment of the WTO post-Nairobi. Mark also discussed the G20 Trade and Investment Working Group, where he leads the U.S. efforts. Jai Motwane, USTR Senior Director for Services and Investment, joined the committee as our second speaker and briefed members on the recently concluded TTIP Investment discussions — the first since 2013. Other items discussed at the meeting included whether China should be granted market economy status under the WTO, member concern over the latest EU investment proposal in the TTIP negotiations, how the Committee can address the need for improvements in the trade negotiation consultation process, and the status of U.S.-China BIT and EGA negotiations.

USCIB Provides Written Submission to ITC on TPP: In February, USCIB made a written submission to the International Trade Commission (ITC) in the investigation Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors. The submission notes that USCIB believes that the TPP will contribute substantially to economic growth in the United States and the Asia-Pacific region, cement U.S. global leadership and provide significant new opportunities for U.S. businesses, workers and farmers. It presents views on specific issues covered by chapters of the TPP of particular interest to our members, including market access, customs administration and trade facilitation, investment, services and financial services, e-commerce and data flows, state-owned enterprises, intellectual property rights, labor and environment, and regulatory coherence.

Mulligan Helps Develop BIAC Paper on Cross-Border Data Flows: As Vice Chair of the BIAC Trade Committee, Rob Mulligan, USCIB Senior Vice President for Policy and Government Affairs, played a leading role in the drafting of a paper issued by BIAC titled: "The Flow of Data Across Borders: A BIAC Trade Committee Policy Perspective". The paper highlights the growing importance of cross border data flows to the operation of global value chains as well as for SMEs and the negative impact of regulations that restrict these data flows. The paper urges the OECD to gather evidence on the impact of data flow restrictions on trade and identify alternative policies that allow for needed data flows while addressing concerns for security and privacy.

USCIB Coordinates Efforts of Forced Localization Coalition: On March 31, 2016, Rob Mulligan hosted a meeting of business organizations working on coordinating their efforts to address the growing number of forced localization restrictions that companies are confronting globally. The group reviewed a draft of provisions from TPP and WTO that limit the ability of countries to impose localization requirements and discussed additional measures that might be needed. As the group reaches a consensus on key objectives it will develop a strategy for engaging U.S. and other governments on incorporating the TPP plus provisions in other trade agreements being negotiated and creatively addressing restrictions in countries that are not part of these other agreements.
USCIB Stands Up for Strong Investment Agreements at OECD: Shaun Donnelly, USCIB Vice President for Investment and Financial Services, was one of a handful of leading business speakers in an all-day OECD conference on “Investment Treaties: The Quest for Balance” in Paris on March 14, 2016. Confronting a lineup of academics, NGOs and labor representatives demonizing international investment, Shaun and his BIAC colleagues, along with a strong U.S. Government delegation, vigorously defended International Investment Agreements (IIAs) as key to mobilizing Foreign Direct Investment (FDI) flows which drive economic growth, trade, and competitiveness in today and tomorrow’s globalized economy. Shaun challenged the OECD’s selection of the conference title – implying a long quest was required to get balance in IIAs when the reality is that U.S. style investment agreements are already currently carefully balanced.

OECD’s Special anti-Bribery Ministerial – USCIB Presses Laggards to Catch Up: Shaun and Eva worked closely with the U.S Government’s interagency anti-bribery team and other key stakeholders including the World Bank and Transparency International to help make the OECD’s Special Anti-Bribery Ministerial March 15-16 a success. Attorney General Loretta Lynch led a strong USG delegation and served as Vice Chair of the Ministerial sessions. Shaun was in Paris to represent USCIB at the Ministerial, working closely with the leaders of the BIAC anti-bribery Task force to get business views on the table. The Ministerial should help increase pressure on those countries adhering to the OECD’s Anti-bribery convention but, frankly, falling behind on implementation and enforcement.

USCIB Meets with U.S. Delegation to OECD Anti-Bribery Ministerial in Roundtable: On March 8, 2016, USCIB participated alongside a few of our members in a roundtable with the U.S. Delegation to the OECD Working Group on Bribery, hosted by the State Department. The meeting took place ahead of the Anti-Bribery Ministerial in Paris on March 14, and provided a platform for dialogue between government, companies, associations, NGOs, and other institutions. As we did in Paris, USCIB represented the business perspective, raising issues on the importance of the working group focusing on the demand side, in addition to the great work being done in implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Other issues included incentivizing compliance and voluntary disclosure by companies.

USCIB Leads BIAC’s Efforts on Chinese SOEs: While in Paris, Shaun was asked to lead the BIAC team in two sessions on a frequent UNDP report on Chinese State-Owned Enterprises (SOEs) invested around the world. One, a detailed in-house session with the Chinese and Secretariat experts, and a second, formal open session in OECD’s Investment Committee open to the media. While appropriately diplomatic, Shaun was clear that Chinese SOEs need to step up to meet international standards on transparency, corporate responsibility, anti-bribery, and governance if they expect to be welcomed as true partners in developed and developing nations.

ICC’s Policy Papers on Investment and Mega-Regional Trade Agreements Move Forward: The ICC’s Trade and Investment Commission met in The Hague on March 18, 2016, under the chairmanship of USCIB member Jim Bacchus (Greenberg Traurig). Earlier that week the ICC’s Executive Board had given final approval to two long-gestating policy papers the Commission had worked on: “Policy Principles on Foreign Direct Investment (FDI)” and “Mega-Regional Trade Agreements”. Those documents are
now undergoing final “legal scrub” at ICC headquarters and should be formally issued very soon. The Commission also pushed forward on another important policy paper project, jointly with the Digital Economy Commission, on Cross-Border Data Flows. The Commission also had good discussions on current trade issues, from prognosis for TPP and TTIP to various negotiations at and around the WTO. The Commission established a small drafting group to guide work on ICC policy positions for the TTIP negotiations, for which USCIB was tapped to play a lead role in the effort.

- **British Embassy “TTIP Business Ambassadors” Visit USCIB to Discuss TTIP:** On Friday, March 18, 2016, the British Embassy in D.C. brought 14 “TTIP Business Ambassadors” (American business leaders from local communities across the country) to discuss TTIP and increase awareness and advocacy for TTIP at a sub-federal level. The delegation met with USCIB Senior Vice President for Policy and Government Affairs, Rob Mulligan, and Director of Investment, Trade and Financial Services, Eva Hampf, and discussed the opportunities the TTIP presents for both USCIB members and local business communities.

- **USCIB Presses Commissioner Malmstrom on EU Flexibility in TTIP:** When EU Trade Commissioner Cecilia Malmstrom gave her standard TTIP speech at the Peterson Institute for International Economics (PIIE) on March 10, outlining areas where the US negotiator were holding up progress, USCIB’s VP Shaun Donnelly was one of the first to challenge her with a question on EU inflexibilities, inconsistencies and unrealistic demands in areas including services, agriculture, intellectual property, standards, and investment. Others from the audience, including at least one USCIB member company, chimed in forcing the Commissioner on to the defensive.

- **USCIB Blogs Highlight Challenges and Importance of International Investment Agreements:** Shaun Donnelly and Eva Hampf contributed a number of International Investment related blog posts to the Investment Policy Central (IPC) website blog, where USCIB shares a platform on investment topics with a group of other leading trade associations. Donnelly highlighted the recent BIAC paper on “Why International Investment Agreements Matter” and advocated a more realistic approach in response to those calling for a single, multilateral investment agreement. Eva Hampf commented on the precedent set by Canada’s recent changing of the investment provisions in its trade deal with the EU, which adds language from the EU’s proposal that the EU would also like to include in the investment portion of TTIP currently being negotiated.

**ICT Policy – Promoting Sound Policies for New Technologies**

- **USCIB Members Promote Broader Participation in APEC Cross-Border Privacy Rules System:** Members of USCIB’s ICT Policy Committee made important contributions at the February 23-25 meetings of APEC’s Data Privacy Subgroup (DPS) of the Electronic Commerce Steering Group (ECSG) in Lima, Peru. These meetings were part of the first APEC Senior Officials Meeting (SOM1). ICT Policy Committee Vice Chair Joseph Alhadeff (Oracle) led the ICC Delegation, which enjoys special guest status in the DPS. Barbara Wanner, Vice President of ICT Policy, also participated, supporting efforts by such USCIB members as MasterCard, Merck, IBM, and Apple to provide inputs. Highlights of this meeting included: 1) a stock-take of the 11-year-old
APEC Privacy Framework, 2) exploration of efforts to expand participation in the Cross-Border Privacy Rules (CBPR) system in the both APEC and non-APEC economies, and 3) the related launch of a new effort to develop a communications strategy to more effectively explain the benefits of the CBPR system.

- **USCIB Supports Conclusion of EU-US Privacy Shield:** On February 29, 2016, USCIB commended EU and U.S. negotiators for their tireless efforts in negotiating a new framework governing transatlantic data transfers, the “EU-US Privacy Shield.” This will replace the 15-year-old U.S.-EU Safe Harbor data transfer framework, which the European Court of Justice invalidated in October 2014. While noting the strengthened privacy protections in the Privacy Shield framework, USCIB underscored that the agreement will promote legal certainty and consumer confidence in transatlantic data flows, encouraging new projects, investments, and provision of services that increase economic and societal benefits.

- **Plan to Transition Stewardship of Key Internet Functions Earns USCIB Praise:** On March 10, 2016, USCIB welcomed the ICANN Board’s approval of a comprehensive package of proposals developed by numerous Internet stakeholders including the private sector, which will enable global stewardship of the domain name system (DNS) and enhance accountability of the Internet Corporation for Assigned Names and Numbers (ICANN), which manages the global domain name system. USCIB worked actively to help shape this groundbreaking initiative, and in the coming weeks will continue to provide comments concerning necessary bylaw revisions and other implementation issues.

- **Commerce/USTR Officials Brief USCIB Members on “EU-U.S. Privacy Shield” Data Transfer Framework and APEC Privacy-Related Work:** At the ICT Policy Committee Meeting on March 16, 2016, Krysten Jenci, Director, Office of Digital Services Industries, Commerce Department, and Robb Tanner, Director for Telecommunications and E-Commerce, USTR, discussed with members important features of the recently concluded EU-US Privacy Shield transatlantic data transfer framework. Also important, they delved into the implications of the privacy agreement on current Transatlantic Trade and Investment Partnership (TTIP) negotiations. Michael Rose, Policy Advisor, Office of Digital Services Industries, Commerce Department debriefed Members on the outcome of the February 23-25 meeting of the APEC Data Privacy Subgroup and its work-streams to evaluate the 11-year-old APEC Data Privacy Framework and promote greater country and company participation in the APEC Cross-Border Privacy Rules System. Other important meeting topics included: (1) a recap of ICANN 55 and ICANN Board approval of the IANA Transition/ICANN Accountability proposals; (2) preparations for the April 4-6 Internet Governance Forum (IGF) Open Consultations and USCIB’s proposed IGF workshops; (3) USCIB comments on a forthcoming Commerce Department Internet of Things “green paper;” and (4) preparations for the OECD’s June 2016 Ministerial, “Digital Economy: Innovation, Growth and Social Prosperity” and Business Stakeholder Day.

- **USCIB Members Shape Final Documents, Declaration for OECD CDEP Ministerial:** The OECD Committee on Digital Economy Policy (CDEP) held meetings March 29-April 1 in Paris aimed at finalizing preparations for its 2016 Ministerial Meeting, “The Digital Economy: Innovation, Growth, and Social Prosperity.” The Ministerial will be held June 22-23, 2016 in Cancun, Mexico. Working through BIAC, USCIB members made
important contributions aimed at shaping the Ministerial Declaration and fine-tuning background documents for the eight Ministerial panels. The panels will focus on four key policy areas “foundational to the growth of the digital economy:” Internet openness and innovation; building global connectivity; trust in the digital economy; and jobs and skills in the digital economy. USCIB members also helped to further refine preparations for Business Stakeholder Day on June 21. This day-long program will provide the business perspective on such topics as the “cornerstones” for a healthy digital ecosystem, policy conditions that enable innovation, and optimization of the economic and social welfare benefits of cross-border data flows with security and privacy concerns. In addition, USCIB members, who have been the driving forces behind a BIAC-organized Hackathon, updated OECD members on this 24-hour contest for app developers, which will take place June 20-21 on the sidelines of the Ministerial.

### Tax – Advancing Tax Policies that Promote U.S. Competitiveness

- **USCIB Submits Comment Letters to the IRS and OECD:** On March 22, 2016, USCIB submitted a comment letter to the IRS on its proposed regulations under section 6038. The comment letter covered the following topics: the effective date and the resulting gap year, the date of filing, constituent entities and the MNE group, transmitting accurate information, notification of transmission, national security, and penalties. USCIB also submitted a letter advocating for mandatory binding arbitration and strongly supporting short-form arbitration, prior to the first meeting of the OECD’s sub-group on arbitration.

- **Carol Doran Klein Speaks on BEPS at Pacific Rim Tax Institute:** USCIB Vice President and International Tax Counsel, Carol Doran Klein, spoke on panels concerning BEPS implementation at the 2016 Pacific Rim Tax Institute Conference on March 3-4, 2016 in Palo Alto, California. At the conference of close to 140 high level tax professionals, Klein spoke on two panels. The first panel provided an overview of the BEPS to date and prospects for the future. The second panel focused on treaty abuse, hybrids, CFCs and interest deductibility.

- **USCIB Helps Set 2016 Agenda for VAT Technical Advisory Group:** The February meeting of the VAT TAG was the first meeting after the adoption of the VAT Guidelines at last November’s VAT Global Forum. The focus of this meeting was setting the agenda for the work of the TAG going forward. It was decided the TAG’s mission for 2016 will be to provide input to the development of the first Guidelines’ implementation packages that will focus on the design and practical operation of VAT/GST collection mechanisms from non-residents, considering tax authorities’ and businesses’ perspectives.

### Customs and Trade Facilitation – Reducing Barriers and Costs from Customs and Border Control Practices

- **CBP Presents to USCIB Customs Committee on TPP and MPF Changes:** At the March 14, 2016 meeting of the USCIB Customs and Trade Facilitation Committee, U.S. CBP Senior Trade Advisor, Maria Luisa Boyce delivered a presentation on Merchandise Processing Fees and the TPP and walked through the background and proposal that CBP developed using data collected in ACE. On the issue of TPP and MPF, USTR’s
Christina Kopitopoulos, Director, Customs and Trade Affairs, WTO and Multilateral Affairs Office and Sushan Demirjian, Deputy Assistant USTR for Market Access and Industrial Competitiveness, had twice briefed Customs Committee members in February and March before this meeting.

- **USCIB and Deloitte Hold Timely Roundtable on U.S.-EU Customs Dynamics**: On February 17, 2016, USCIB and Deloitte hosted a joint roundtable entitled “Strengthening Customs Efficiencies to Facilitate Trade and Investment: Current Dynamics Shaping Customs in the U.S. and EU.” The panel, which was hosted at USCIB member GE’s Washington, D.C. offices, included Fernand Rutten, Global Leader Customs and Global Trade, Deloitte; Nasim D. Fussell, Trade Counsel, House Ways and Means Subcommittee; Christina Kopitopoulos, Director, Customs and Trade Affairs, WTO and Multilateral Affairs Office, USTR, and; Nicole Bivens Collinson, President, International Trade & Government Relations, Sandler, Travis & Rosenberg P.A.

- **Giblin Pushes USCIB Customs Issues at APEC Customs, A2C2 Meetings**: From February 21 - 26, 2016, USCIB’s Director of Customs and Trade Facilitation Megan M. Giblin participated in meetings of the Global Supply Chain Integrity Workshop, APEC Alliance for Supply Chain Connectivity (A2C2), and attended the APEC Subcommittee on Customs Procedures (SCCP) meetings through her role as Industry Co-Chair of the SCCP Custom Working Group. USCIB member priorities were front and center, including the WTO Trade Facilitation Agreement (TFA), single window, customs reform, and other key topics. In March, Giblin also attended meetings surrounding the 57th WCO Harmonized Systems Committee, where she met with U.S. Government Customs Attachés, USCIB member’s Brussels based teams, and with Ana Hinojosa, Director of the WCO Compliance and Facilitation Directorate.


---

**Corporate Responsibility – Developing Standards and Principles, Increasing Awareness of Positive Business Impact**

- **Meyerstein Moderates Panel on Business, Sustainability and Social Metrics**: USCIB Vice President of Labor Affairs, Corporate Responsibility & Corporate Governance, Ariel Meyerstein, moderated a breakout session at the Global Partnerships Practitioners Forum on March 7, 2016. Entitled “Making the Business Case with Social Metrics”, the panel discussion was the best attended of the day’s breakout sessions. The panel was comprised of USCIB member company representatives Paul Bakus, President of Nestlé Corporate Affairs, Paul Garnett, Director of Affordable Access Initiatives at Microsoft, and Davida Heller, Vice President of Corporate Sustainability at Citi. The panel was sponsored by USCIB’s Business for 2030 initiative.
Health – *Business Engagement for Balanced International Health and Nutrition Regulations*

- **USCIB Members Discuss OECD Agriculture Ministerial with USDA Officials:** On March 29, 2016, USCIB members met with USDA’s Steve Neff (Foreign Agriculture Service) and Jay Variyam (Economic Research Service) to discuss the upcoming OECD Agriculture Ministerial, which USDA Secretary Tom Vilsack is attending in Paris this April. One of the main goals of the meeting was to learn about USDA’s priorities at the upcoming Ministerial and other OECD meetings and to share U.S. business perspectives on the topics that will be addressed. USCIB underlined that the OECD should continue its work to: 1) provide analysis and promote frameworks that support international regulatory cooperation; 2) support conditions for increased private investment for innovation in the agri-food chain; and 3) increase cooperation with the private sector to seize innovation opportunities. USCIB members also recommended that any future OECD work on nutrition should foster close cooperation between the OECD Committees for Agriculture and Health, as well as other relevant OECD bodies.

Product Policy – *Ensuring U.S. Products Timely Access to Markets around the World*

- **Medina Continues USCIB APEC Engagement at Chemical Dialogue Meetings:** Helen Medina, USCIB’s Vice President of Product Policy and Innovation, attended the APEC Chemical Dialogue (CD) meetings to support USCIB’s work and recommendations on a coordinated approach to implementation of the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) and future GHS capacity building workshops. USCIB will continue to encourage work within the CD on metals risk assessment, specifically follow-up to the workshop on this topic in 2015 as well as the dissemination of pending OECD metals assessment scientific guidance as joint OECD-APEC guidance for APEC Economies. Medina also met with the Lima Chamber of Commerce, Peru’s most representative business organization promoting Peru’s global economic integration, to share USCIB priorities during the Peru host year and collaborate on areas of mutual interest.

Membership

- **Membership Meetings:** The Washington, D.C. membership department and policy staff met with representatives from member companies Wells Fargo and Marsh & McLennan Companies to develop our understanding of their policy priorities for the next year and beyond, and to see how USCIB can better serve their policy needs.

- **New Members:** USCIB has recently welcomed Eli Lilly as a new member.
Upcoming Events:

**USCIB Competition Committee Meeting**, Washington, D.C. – April 4

**IGF Open Consultation and MAG Meeting**, Geneva, Switzerland – April 4-6

**Global Connect High-Level Meeting**, Washington, D.C. – April 15-17

**ICC Commission on the Digital Economy Meetings**, Paris, France – April 20-21

**BIAC and OECD Trade Committee Meetings**, Paris, France – April 20-22


**USCIB Corporate Responsibility and Labor & Employment Committee Meetings**, Washington, D.C. – May 3-4

**BIAC General Assembly**, Paris, France – May 30

**OECD Forum 2016**, Paris, France – May 31-June 1


**BIAC/OECD Hackathon, “Connected Communities, Connected Lives,”** Cancun, Mexico – June 20-21

**OECD Committee on Digital Economy Policy (CDEP) Ministerial**, Stakeholder Day, Cancun, Mexico – June 21

**OECD Committee on Digital Economy Policy (CDEP) Ministerial**, Cancun, Mexico -- June 22-23
USCIB Policy and Program Staff

Rob Mulligan
Senior Vice President, Policy and Government Affairs
202-682-7375 or rmulligan@uscib.org

Erin Breitenbucher
Senior Policy and Program Associate and Office Manager, Washington
202-682-7465 or ebreitenbucher@uscib.org

Shaun Donnelly
Vice President, Investment and Financial Services
202-682-1221 or sdonnelly@uscib.org

Megan Giblin
Director, Customs and Trade Facilitation
202-371-9235 or mgiblin@uscib.org

Ronnie Goldberg
Senior Counsel
212-703-5057 or rgoldberg@uscib.org

Eva Hampl
Director, Investment, Trade and Financial Services
202-682-0051 or ehampl@uscib.org

Alison Hoiem
Senior Director, Member Services
202-682-1291 or ahoiem@uscib.org

Jonathan Huneke
Vice President, Communications and Public Affairs
212-703-5043 or jhuneke@uscib.org

Norine Kennedy
Vice President, Strategic International Engagement, Energy and Environment
212-703-5052 or nkennedy@uscib.org

Carol Doran Klein
Vice President and International Tax Counsel
202-682-7376 or cdklein@uscib.org

Helen Medina
Vice President, Product Policy and Innovation
212-703-5047 or hmedina@uscib.org

Ariel Meyerstein
Vice President, Labor Affairs, Corporate Responsibility & Corporate Governance
212-703-5056 or ameyerstein@uscib.org

Chris Olsen
Policy and Program Assistant, Washington
202-617-3156 or colsen@uscib.org

Barbara Wanner
Vice President, ICT Policy
202-617-3155 or bwanner@uscib.org

Kira Yevtukhova
Policy and Program Associate, New York
212-703-5082 or kyevtukhova@uscib.org