



## **USCIB Trade and Investment Agenda 2018**

The United States Council for International Business (USCIB) corporate members represent \$5 trillion in revenues and employ 11.5 million people worldwide across a wide range of sectors. Open global markets for trade and investment are critical to the continued growth of our member companies and the continued growth of the U.S. economy. We support the following principles as critical to an international business environment that will drive innovation, economic development and job creation.

### **Key USCIB Principles for Open Trade and Investment**

- USCIB is committed to free trade and a global rules-based trade and investment system that opens international markets for U.S. companies and removes barriers and unfair trade practices that undermine Americans' jobs as they compete for customers at home and around the world.
- USCIB supports policies that promote global trade and establish a level playing field for U.S. business while ensuring that open trade and investment delivers the widest benefit to people and communities here at home.
- USCIB supports investment protections for foreign direct investment that include strong enforcement mechanisms to ensure U.S. investors have access to an independent rules-based arbitration system to enforce their rights when foreign governments expropriate, ignore international minimum standards of treatment, discriminate against or break binding commitments to American investors
- USCIB believes that U.S. prosperity depends on global engagement and the U.S. government playing a leading role in the international organizations to support their mission and to shape the rules for doing business around the world.
- USCIB supports efforts to ensure U.S. trade agreements reflect the most up-to-date standards needed to address new opportunities and challenges and to negotiate new trade and investment agreements bilaterally, regionally and multilaterally that effectively open global markets for U.S. business.
- USCIB rejects the argument that bilateral trade deficits alone are a measuring stick for evaluating trade agreements and we do not support withdrawal or threats to withdraw from any of the trade agreements to which the U.S. currently is a party.
- USCIB believes that, as the government opens markets, it needs policies and programs that support U.S. workforce competitiveness by preparing U.S. workers for future employment opportunities and helping them adjust to rapidly changing demands for adapting to technological change.

- USCIB supports the role of the World Trade Organization (WTO) in bringing together countries to reach agreements on further opening global trade and recognizes the need for updates and improvements to the WTO's structure and operations insofar as such improvements incentivize rather than disincentivize global trade.
- USCIB believes that as the U.S. industry representative to the International Chamber of Commerce (ICC), the Business and Industry Advisory Committee to the OECD (BIAC), and the International Organization of Employers (IOE), we are uniquely positioned to work with business groups in other countries to align and amplify advocacy in support of rules based trade and investment.
- USCIB believes that U.S. competitiveness is increasingly restrained by “behind the border” regulations and policies that discriminate against fair foreign competition and will work to make cross-border regulatory coherence a top priority in government-to-government negotiations and dialogue.
- USCIB supports tax reforms that re-establish the U.S. as a favorable base in which to do business and manage global operations.
- USCIB recognizes that digital trade is dramatically impacting the way companies do business around the world and supports policies that facilitate the growth in trade of digital goods and services, especially for MSMEs, while opposing policies and regulations that create barriers to digital trade, such as restrictions on cross-border data flows.
- USCIB supports a strong services trade agenda that could generate significant economic growth and jobs through broader and deeper services trade liberalization.

### **USCIB Action Plan for 2018 on Trade and Investment**

The year 2018 will be an important one for continuing the process of modernizing existing trade and investment agreements and initiating negotiations for new agreements that will open opportunities for American businesses to access global markets. **USCIB will work for effective enforcement of existing agreements as well as to advance negotiations and agreements that improve market access for U.S. companies.** Agreements must comply with the standards and criteria set forth by Congress in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA Act of 2015) and the Trade Facilitation and Trade Enforcement Act of 2015. We will urge Congress to renew TPA in 2018 to enable continued progress on negotiation of new trade and investment agreements.

In working with the Administration, **USCIB will stress the importance of U.S. engagement and leadership in creating and enforcing rules for international trade and investment.** Essential to U.S. leadership will be continuing to work with our global partners on trade and investment agreements. We will urge the Administration to seek improvements to pending and existing agreements where needed, rather than withdraw from them, and work to advance negotiations for strong, pro-competitive trade and investment agreements going forward.

NAFTA has played an important role in creating a trade relationship with Canada and Mexico that supports nearly 14 million U.S. jobs and through which the two U.S. trading partners

purchase nearly one-third of our exports. The agreement provides a platform on which to build new disciplines to better meet the needs of today's economic landscape. For example, USCIB would support updates to the 1994 pact to better reflect the modern economy, including the reality of North American supply chains that enhance U.S. competitiveness and the growing importance of digital trade, which helps American SMEs capture new market opportunities and drives a strong U.S. trade surplus in digitally deliverable services. At the same time, **we will urge the Administration not to introduce new proposals in NAFTA that will weaken existing provisions or negate the benefits that U.S. companies derive from the U.S. being part of NAFTA.**

By 2030, two-thirds of all middle-class consumers in the world will be in Asia, so the region is a critical growth market for many U.S. companies. **We will be urging the Administration to initiate negotiations with countries in the region to ensure that American goods and services companies have open and fair access to the markets in the Asia-Pacific.** Simply letting other nations (including some with very different economic systems and priorities) write the rules in this fast-growing region would be a strategic misstep. Some of our most important trading partners in the region have already ratified TPP (now CPTPP) or are continuing to undertake reforms consistent with the agreement – notably, Singapore and Australia incorporated the TPP's provisions on cross-border data flows into their bilateral FTA. We will also work through APEC to maintain connections with business and governments in the region and pursue initiatives that can improve market access and greater regulatory compatibility for our member companies.

China presents great opportunities and great challenges for U.S. business. Policies related to competition, cybersecurity, technology, intellectual property protection and many other areas are being used by China to force transfers of critical technology and innovation or to protect domestic companies. Government support for Chinese state-owned enterprises is tilting the competitive playing field against U.S. companies. A more open and balanced trade relationship could produce significant benefits for both countries and a new initiative to establish a meaningful U.S. – China dialogue could facilitate moving towards that goal. **We will work with the Administration to develop a coherent strategy for pressing China to further open its markets to U.S. companies and eliminate the proliferating Chinese policies aimed at hindering access in a framework that maintains stability in the relationship.**

Europe is one of the largest markets in the world and the U.S.-Europe trade and investment relationship remains the largest economic bloc in the world. But significant opportunities exist for U.S. companies to grow and expand business in the EU if remaining barriers, especially related to regulatory differences, could be addressed through trade negotiations or through some other effective format. **We will urge the Administration to pursue negotiations with the EU on a trade and investment agreement.** Given the pending "Brexit", we will also encourage the new Administration to engage with the UK to protect the interests of U.S. companies and workers in that process, while preparing for an autonomous bilateral trading relationship.

U.S. services companies are among the most competitive in the world, but many countries maintain barriers that limit opportunities for U.S. services companies. The U.S. has been a leader in forging agreements to break down these barriers, including the World Trade Organization's General Agreement on Trade in Services (GATS) and recent U.S. free trade agreements (FTAs) which contain important measures to foster services trade and investment. Plurilateral negotiations on international services trade (the Trade in Services Agreement or TISA negotiations) have the potential to build upon the existing rules and further open foreign markets for U.S. services exporters. **We will press for progress on advancing 21<sup>st</sup> century**

**standards for the full range of services trade.** Such standards will not only benefit services providers but also their manufacturing clients who need such services to effectively compete around the world.

USCIB will seek to offer thought leadership on the importance of opening global markets for U.S. trade and investment. We will also explore the policies needed to ensure that workers are prepared for and can find new employment opportunities in a competitive U.S. economy. It will be essential that the government provides the tools and framework to ensure that the U.S. has a workforce ready to compete and succeed in the 21<sup>st</sup> century economy. Related to this, we will look at the best policies for enhancing U.S. competitiveness through improving sustainable infrastructure, reforming tax rules, developing effective retraining and adjustment programs, implementing smarter, science-based, and more coherent regulatory policies, and strengthening the rule of law. **While we will support strong enforcement of trade and investment rules, we will work to discourage counter-productive measures that undercut our international commitments or could lead to retaliatory measures that hurt U.S. companies and workers.**

On investment, USCIB has long been a leading public voice on the benefits of foreign direct investment (FDI) for the U.S. economy, our states and cities, our companies, and our workers. When U.S. firms' investments overseas prosper, it justifies more capital investment in the U.S. parent, helps maintain profitability to support U.S. wages and often leads to new job creation in the U.S. by "pulling" substantial U.S. exports of equipment, inputs and related services. **We will continue to advocate for broad policies and for specific investment agreements which strengthen the policy and legal environment for FDI, including continued work on a rules-based bilateral investment agreement with China.** One key element in effective investment agreements is a strong enforcement mechanism that ensures U.S. investors have access to an independent rules-based arbitration system to enforce their rights when foreign governments expropriate, ignore international minimum standards, discriminate against or break binding commitments to American investors. At the same time, inward investment into the U.S. is also important and **we will follow closely proposals to reform the Committee on Investment in the United States (CFIUS) to ensure they do not impose unreasonable regulatory restrictions, protect anticompetitive behavior or limit investment overseas.**

**The USCIB Agenda 2018 will also focus on leveraging our unique international network to support work at the WTO aimed at opening markets either multilaterally or plurilaterally.** In the case of the WTO Trade Facilitation Agreement (TFA) we will support robust implementation by all countries. At the same time, we recognize the need for the WTO to adapt to the changing global environment and will support reforms to the WTO structure and operations that will enhance its ability to effectively open global markets and set fair rules for the international trading system. Improvements in areas such as the dispute resolution system, better implementing of requirements related to country reporting and notification on regulations that impact trade and addressing the structural issues that are impeding the organization's ability to move forward on market opening negotiations are needed.

USCIB will continue to oppose policies that handicap U.S. trade and investment. **We look forward to working with the U.S. Administration and Congress to tackle such areas of concern as: forced localization requirements, restrictions on cross-border data flows, carve-outs of specific sectors from trade and investment rules, over-reaching regulations, unfair support for state-owned or state-supported enterprises, customs and border barriers, mobility-related obstacles, inadequate anti-bribery enforcement, lack of**

**clear standards at U.S. customs for forced labor, inadequate or eroding IP protection, and illicit trade.**

While we will actively engage U.S. policymakers, it will be increasingly important for us to engage policymakers and business leaders in other countries on the issues they are confronting in global markets. **USCIB will seek to more effectively leverage our unique network of relationships with business groups in other countries that are best placed to influence the policymakers in their countries.** As the U.S. industry representative to the International Chamber of Commerce (ICC), the Business and Industry Advisory Committee to the OECD (BIAC), and the International Organization of Employers (IOE), we work closely with the foreign business groups in these organizations, but will look to expand the scope of our cooperation in addressing the key trade, investment, and regulatory opportunities to better facilitate global growth and competitiveness.

Opening global markets for trade and investment can generate much needed economic growth and job creation in the United States and around the world if policymakers take the steps needed to implement the right policies and eliminate protectionist measures. The USCIB Trade and Investment Agenda 2018 sets out our framework for engaging policymakers and persuading them to take the right steps.