Averting a US-China Trade War

Inside
Fostering skilled migration  5
New leadership for ICC  8
Climate policy implementation  12
How We Can Get Trade Policy Back on Track

The Trump administration has imposed steep tariffs on imported steel and aluminum, despite what looks like inevitable retaliation from our trading partners. This has drawn a sharp response from many in the business community and on Capitol Hill, including USCIB. At the same time, talks on NAFTA 2.0 are proceeding, with the outcome far from certain and the endgame not yet in sight. Even as it seeks to cement worthwhile modernization of the agreement, the U.S. side continues to pursue a number of troubling objectives, including the removal of critical investor protections that are essential for many companies and industries.

Going forward, the outlook on trade is likely to feature additional unilateral action by the Trump administration that could further disrupt the global economy. In addition to the looming tariffs on steel and aluminum, the administration is pursuing a Section 301 action against China and has threatened the imposition of additional tariffs, both of which are likely to spark Chinese retaliation against U.S. imports.

While the U.S. business community is frustrated with Chinese policies, especially those related to technology and intellectual property, we believe that a trade war could severely hurt U.S. companies doing business in the country. More broadly, I am concerned that we are facing a fundamental reorientation of U.S. policy, from that of an outward-looking, optimistic nation engaged with the world to something more insular.

We seem to be moving from a positive-sum outlook, where your gain is my gain and vice-versa, to a zero-sum outlook, where your gain harms me. While this is something that extends far beyond commercial policy, right now trade is the main focus of heightened U.S. unilateralism.

Need a forward-looking agenda

So, what should the business community do? Despite the setbacks and headwinds, I am convinced that we must continue to push outward-looking policies with anyone who will listen. Based on my recent discussions with USCIB members, we will pursue an ambitious agenda to drive American success in an expanding global economy despite the current political climate. We are leveraging our global network (ICC, IOE, BIAC), and all our relationships in the United States and around the world, to try to get it done.

Specifically, we have three critical objectives:

1) Spur growth through expanded trade. We are pressing our government, as well as the governments of Canada and Mexico, for a modernized North American Free Trade Agreement to be concluded in 2018. We are advocating for effective enforcement of trade rules and new market-opening agreements, whether bilateral or multilateral. We are driving for robust implementation of the WTO Trade Facilitation Agreement. And we are supporting effective implementation of the Customs Reauthorization Act.

2) Promote and protect cross-border investment in the United States and abroad. We favor the elimination of policies requiring forced localization and restricting cross-border data flows. We are pushing for pro-investment policies and investor protections internationally, including in NAFTA, and working to revive the U.S. bilateral investment treaty program. And we seek to ensure balanced reform to the CFIUS inward-investment review process to both protect national security and maintain openness to FDI.

3) Prepare the workforce for the jobs of the future. With the help of our global partner organizations, we are championing policies to build competitive workforces for the 21st-century economy. In addition, we are pressing for action to promote flexible labor markets, women’s empowerment and youth employment worldwide. We seek policies that support the development of technologies to grow digital skills and speed worker retraining. This is an issue I will be especially focused on in my role as Co-Chair of the B20 Employment and Education Task Force.

Taken together, this is part of an American trade and competitiveness agenda that ensures not only American prosperity, but global prosperity and a better world for our children. American business believes in win-win solutions that apply the expertise and capabilities of the private sector to shared challenges, and we want to partner with governments and other stakeholders to promote a “positive-sum” approach to global policy and rule-making.

In the eyes of many observers in the United States and around the world, the U.S. government may be taking a somewhat different approach on many of these issues. But I, for one, remain convinced that, through good-faith dialogue and shared experience, we can all get on the same page and make sure that the United States, and the world, are pointed in the right direction.

Contact Peter Robinson at (212) 703-5046 or probinson@uscib.org.
USCIB Urges US and China to Avoid Trade War

In response to the announcement in mid-March by the Trump administration’s plans to impose tariffs on billions of dollars of Chinese exports along with restrictions on Chinese investment in the United States, USCIB issued a statement expressing continued concern over Beijing’s trade abuses while also urging the administration to tread carefully to avoid a trade war.

“We support the goal of getting China to stop its unfair trade practices and treatment of U.S. intellectual property,” said USCIB President and CEO Peter M. Robinson. “We are encouraged to see that the administration is considering a range of tools in addressing these concerns, including WTO dispute settlement. However, we remain concerned that potential new U.S. measures and Chinese retaliation will hurt American companies, workers, farmers and consumers.”

On March 22, President Trump announced his intention to impose tariffs on some $50 billion of exports from China under Section 301 of the 1974 trade act, in response to intellectual property violations and other trade abuses. Specifically, he instructed the office of the U.S. Trade Representative to publish, within 15 days, a list of proposed Chinese goods that could be subject to tariffs, while the Treasury Department will have 60 days to recommend steps to restrict Chinese investment in the United States.

“It’s been said that nobody wins a trade war,” Robinson added. “That would be especially true of a trade conflict between the world’s two largest economies. Escalation of the current dispute would severely impact our members, who rely on sales in both markets and who maintain complex global supply chains encompassing both countries as well as many others. These overseas sales and supply chains support millions of jobs in the United States.”

“...we remain concerned that potential new U.S. measures and Chinese retaliation will hurt American companies, workers, farmers and consumers.”

Robinson concluded: “We therefore urge the Trump administration to carefully consider the actions it takes pursuant to this Section 301 report, and we encourage both governments to work together to resolve these unfair trade practices before taking steps that will damage both economies.”

Earlier in March, USCIB issued another statement on the administration’s announced plans to impose new duties of 25 percent and 10 percent, respectively, on imports of foreign steel and aluminum, stating: “USCIB strongly supports a more competitive America, which enjoys economic growth and jobs by increasing exports, opening global markets and securing a level playing field for our goods and services. We are disappointed with the administration’s decision. History clearly teaches that fomenting trade wars with our commercial partners is likely to backfire on the United States, harming American businesses, workers, farmers and consumers in the process.” The full statement is available on www.uscib.org.

USCIB Delegation Contributes to Extending a Global Pact on Chemicals

A global framework for chemicals that was to end in 2020 will be extended and will include the sound management of associated industrial waste, government officials from around the world agreed at a summit in Stockholm which ended March 15. The meeting, hosted by the Swedish government and attended by representatives of UN member states, NGOs and business and industry, aimed to draw up a global strategy for managing waste and chemicals based on agreed international standards. Mike Michener, USCIB vice president for product policy and innovation, Sophia Danenberg of Boeing, chair of the USCIB International Product Policy Working Group, and Frank Mastrocco of Pfizer represented U.S. downstream users of chemicals as part of the private sector delegation.

Global cooperation in chemicals is currently governed by the UN-backed global initiative, the Strategic Approach to International Chemicals Management (SAICM), but this only extends to 2020. Sweden wants SAICM to be replaced with a global deal, similar to the Paris Agreement for climate. The meeting decided that existing principles of SAICM should be retained beyond 2020, including risk reduction and illegal international traffic.

“This was the first meeting, so nothing is decided,” stated Michener. “The countries that participated all agreed they want to work jointly on extending an international agreement on the management of chemicals and waste, and that a global deal approved at the highest levels is necessary. Now the SAICM co-chairs will begin work on a zero draft of a new agreement, to be approved by member states sometime before 2020.”
Controversial Proposals Remain Following Recent NAFTA Round

USCIB has been actively engaged in all recent rounds of negotiations for a revised North American Free Trade Agreement (NAFTA). Eva Hampl, USCIB director for trade and financial services was in Mexico City for the 7th round of negotiations, which started on February 25 and concluded with a Ministerial on March 5. U.S. Ambassador Robert E. Lighthizer, Canadian Minister of Foreign Affairs Chrystia Freeland, and Mexico’s Economy Minister Ildefonso Guajardo made statements at a press conference in Mexico on the final day relating to the relative progress of the negotiations, where three new chapters and two sectoral annexes were closed out.

In Mexico, Hampl participated in an event entitled NAFTA Negotiations Status – Current Situation & Impact Analysis hosted by the Canadian Chamber of Commerce in Mexico (CanCham) and organized by Galicia Abogados, a law firm in Mexico City with expertise in arbitration and ISDS issues. Hampl’s remarks at this event addressed the business perspective and priorities, covering the status of the negotiations, highlighting the substantive and political difficulties, and outlining what these various developments mean for U.S. business. Hampl was joined by Salvador Behar, director for North America in the Secretariat of Economy, part of Mexico’s negotiating team and Jean-Dominique Ieraci, minister-counsellor for trade for the Embassy of Canada, and part of Canada’s negotiating team.

The remainder of the week in Mexico City consisted of briefings from U.S., Mexico and Canada officials. Based on various briefings business had with negotiators from Mexico and Canada, as well as Congressional staff and others, there was very little progress in the poison pill or rebalancing proposals the United States had put on the table. There was also little progress on the sunset provision and automotive rules of origin, particularly as the U.S. negotiator on rules of origin was called back to Washington before negotiations could commence. On investment protection, Canada and Mexico have begun negotiating among themselves, and have similarly begun to do so on government procurement.

USCIB Partners with Japanese Group Keidanren on NAFTA Letter

In advance of the National Governors Association meeting February 23-26 and the Mexico City NAFTA rounds, USCIB coordinated with the Japanese business group, Keidanren, on a joint letter to each governor expressing support for keeping and modernizing NAFTA.

“Having worked closely with Keidanren in promoting the importance of foreign direct investment to government leaders in international forums such as G20, OECD and the United Nations, we wanted to leverage our joint voices to highlight the importance of NAFTA in driving the growth of foreign direct investment into the United States,” said Rob Mulligan, USCIB senior vice president for policy. “The investment by Japanese companies into the U.S. serves as an example of this growth and each letter identifies the number of jobs in the particular state that are accounted for by Japanese-owned firms.”

The letter stresses the position USCIB has urged from the beginning that the negotiations “do no harm” to the existing NAFTA framework and then reinforces key messages related to ISDS, rules of origin, government procurement, and any sunset provision.

“We hope this letter will encourage the governors to actively engage the Administration on achieving a modernized NAFTA that we can all support,” added Mulligan.

Stay ahead of transfer pricing regulations

Transfer pricing is one of the most critical, complex, and contentious tax issues faced by multinational companies. The experts at Charles River Associates provide the latest practical, independent, expert advice and help clients use transfer pricing as a strategic tool that can enhance competitiveness and enterprise value.

Founded in 1965, CRA is a leading global consulting firm that has served major law firms, corporations, and governments around the world.

www.crai.com/transferpricing
Robinson: Governments Must Join with Companies to Foster Skilled Migration

Global skills mobility is integral to business and economic growth, with labor migration having contributed an estimated four percent to global economic output in recent years. That was one of the key messages delivered by USCIB President and CEO Peter Robinson at a March 26 international dialogue on migration held at UN headquarters in New York.

Robinson represented both USCIB members and the International Organization of Employers (IOE), which alongside the World Economic Forum spearheads private-sector input to the inter-governmental Global Forum on Migration and Development via a recognized “Business Mechanism.” Robinson said companies know the value of skills mobility in their workplaces: fully 74 percent of corporate respondents in a recent survey by the Council for Global Migration reported that access to global skills is critical to attaining their business objectives.

By 2020, there is expected to be a worldwide shortfall of 38-40 million skilled workers, Robinson observed, and national migration systems need to adjust to address this need.

“Benefits of skilled migration accrue to both the countries receiving and sending migrants,” he said. “Many advanced economies are facing the labor impact of aging populations and falling birth rates, and must look abroad to fill worker shortages at all skill levels. And many countries rely on remittances from their citizens working abroad as well as the skills of returning migrants.”

Companies operating at the global level are increasingly sensitive to potential abuses of migrant workers in their supply chains and are taking steps to address these, according to Robinson, who currently co-chairs the B20 Employment and Education Task Force. They are participating in an array of initiatives aimed at fostering fair and ethical recruitment, and are lending their expertise to helping national authorities better process immigrants and match employment opportunities with available workers.

Robinson underlined the commitment of business to this subject area and to the UN’s Global Compact on Migration. He urged governments and other stakeholders to partner with employers at the global and national levels to address the need for expanded skilled migration.
Controversial Proposals Remain Following Recent NAFTA Round  

continued from page 4

which was a new development during this Mexico round.

“While valuable progress continues to be made on modernization chapters such as digital trade and customs, concerns remain that the progress on the controversial proposals is too incremental to bridge the dramatic divide between negotiating positions on a reasonable timeline,” said Hampl. “While Mexican officials emphasized prioritizing a good trade deal over a quick one, there are potential political complications on the horizon with the upcoming elections in Mexico. In addition, U.S. midterm elections are coming up later this year, something Ambassador Lighthizer raised in his press conference following the conclusion of the last round of negotiations.”

Additional challenges remain following the announcement on steel and aluminum tariffs by the Trump administration. Trade proponents are hoping that, the more they learn about the possible impact of the new tariffs and likely retaliatory measures, the less voters will like them. A new study from Trade Partnership Worldwide estimated the proposed tariffs would increase employment by some 33,000 jobs in the steel, aluminum and related industries, but cost some 179,000 jobs throughout the rest of the American economy.

Meanwhile, a new survey of likely voters in four key swing states by Firehouse Strategies and Optimus revealed that most voters underestimate the importance of trade on U.S. employment. Only 13.6 percent said their jobs depend on trade, while 69.3 percent said they do not. Most economists put the percentage at more than 20 percent when both exports and imports are factored in.

UN Highlights Role of Digital Technologies in Sustainable Development

The United Nations Conference on Trade and Development’s (UNCTAD) E-Commerce Week, which was April 16-20 in Geneva, Switzerland highlighted progress by emerging economies in developing digital ecosystems to support electronic commerce and digital trade and, in turn, drive sustainable economic development, reported USCIB Vice President for ICT Policy Barbara Wanner.

More than 1,000 participants from government, business, civil society, and international organizations convened for the fourth edition of this conference under the theme “Development Dimensions for Digital Platforms.” Wanner was on the ground for the first half of the week and observed enthusiasm for the potential of digital platforms to create commercial and economic benefits, but also a clear-eyed recognition of challenges to their effective use caused by an array of issues such as lack of sufficient access to ICT infrastructure and services, legal uncertainties, and the absence of e-payment solutions, among other problems.

Concurrently, the Group of 71 nations who agreed to pursue future WTO work on e-commerce at the WTO Ministerial Conference (MC-11) in December 2017, held a second set of discussions on April 18. Although the United States, Japan, Brazil, Singapore and others have introduced proposals setting forth work topics, the April 18 meeting was the first opportunity of the Group of 71 to discuss the substance of these proposals.

“They did not publicly reveal any specifics during the UNCTAD conference,” reported Wanner. “They also were unwilling to engage as a group with the business community about priorities for the future WTO’s e-commerce work.”

Consequently, the International Chamber of Commerce Digital Economy Commission (ICC-DEC) will organize an engagement session with key members of the Group of 71 just prior to their anticipated mid-May round of negotiations.
With over 140 years of experience, DB Schenker helps protect not only our customers’ cargo, but their bottom line. As a global logistics leader, we deliver comprehensive risk management and compliance solutions – including export credit insurance, cargo insurance, customs bonds, cargo surveys, loss control, global claims management, training and e-tools to keep our customers compliant.

We don’t just move your goods; we protect them.

Visit us at tradesolutions.dbschenkerusa.com or call +1 (844) 724-8723 (in USA)
The International Chamber of Commerce (ICC) convened a business workshop under the UNFCCC Talanoa Dialogue process on February 2 in Paris, bringing business leaders together with influential government representatives leading the UNFCCC negotiations to discuss where business can contribute and strengthen implementation of national and international climate policy.

The Talanoa Dialogue, previously referred to as the Facilitative Dialogue, aims to overview collaborative action by governments, business and others to move the global climate agenda. A year-long process of discussions, consultations, events and expert inputs that will culminate at the 24th Conference of Parties in Poland, the Talanoa Dialogue is the first time that business and other stakeholder inputs are to be mainstreamed into the UNFCCC deliberations. ICC serves as the United Nations Framework Convention on Climate Change (UNFCCC) Focal Point for business and industry, and has represented global business in the UN climate deliberations since 1993.

Tomasz Chruszczow, Poland’s climate champion, opened the meeting with a plea for business involvement, stating, “Business creates jobs, makes investment decisions. We need business to solve the challenges ahead in the transition towards a low-carbon economy.”

The Talanoa Dialogue is a process led by Fiji to invite and gather information, examples and discussion on 3 questions relating to the UNFCCC, Paris Agreement and the need for additional greenhouse gas reductions, resilience, funding and technology cooperation:

- Where are We?
- Where are We Going?
- How Do we Get There?

“While the Talanoa questions appear very basic, business will re-frame them to be relevant to private sector investment and implementation, and then bring forward value-added information and recommendations in response,” stated Norine Kennedy, who leads USCIB’s work on climate change, energy and the environment. Other USCIB members attending this workshop included Nick Campbell, Arkema and Justin Perrettson, Novozymes.

USCIB recently submitted recommendations to the UNFCCC on the importance of substantive business involvement in the UNFCCC going forward. USCIB will work closely with ICC in future Talanoa Dialogue meetings and will consult its members as it prepares USCIB contributions to the Talanoa Dialogue scoping exercise en route to the next UNFCCC Conference of Parties in Katowice, Poland in December.
How do you erase borders and create global opportunity?

Find out how international tax and operations insights helped a company grow from local to global. ey.com/acceleratinggrowth #BetterQuestions

The better the question. The better the answer. The better the world works.
USCIB Welcomes New Leadership at ICC

CEO of the leading Australian law firm Corrs Chambers Westgarth John W.H. Denton has been elected as the next secretary-general of ICC. He is a legal expert and adviser on global policy, international trade and investment and infrastructure. Denton will succeed outgoing ICC Secretary General John Danilovich. Denton previously served on ICC’s Executive Board.

Additionally, CEO of Unilever Paul Polman has been elected as ICC’s new first vice-chair. Polman will succeed current ICC Chairman Sunil Bharti Mittal in July, who in turn will take the position of honorary chair. Polman is a globally recognized business leader and a pioneer in the field of corporate sustainability having served as a member of the UN Secretary General’s High Level Panel responsible for formulating the Sustainable Development Goal (SDGs) and was subsequently appointed as a UN SDG advocate responsible for promoting the “Global Goals.”

ICC Court Launches Belt and Road Initiative Commission

Alexis Mourre, president of the ICC Court, recently announced the establishment of a Belt and Road Initiative Commission, which will consider how ICC can best respond to dispute resolution opportunities arising from the Belt and Road initiative, which is estimated to have US$900bn in projects planned or already underway.

Justin D’Agostino, global head of disputes at Herbert Smith Freehills and Hong Kong’s alternate member of the ICC Court, has been named commission chair while Mingchao Fan, ICC director for North Asia, will act as secretary.

ICC is planning a series of events over 2018 to spotlight its Belt and Road capabilities. Events are planned in diverse locations including China, Kazakhstan, Kyrgyzstan, Nigeria, Southeast Asia, Japan and Hong Kong, with more to come.

Private Sector Meets with Governments on Digital Security Risk

Business at OECD (BIAC) members participated in an OECD Workshop on Digital Security and Resilience in Critical Infrastructures and Essential Services in February in Paris to contribute to the OECD’s Going Digital Project.

The Digital Project aims to examine how the digital transformation affects policy-making across a large spectrum of policy areas, including competition, consumer policy, digital economy, science, technology and innovation, industry and entrepreneurship, insurance and private pensions, financial markets, taxation and much more.

The project will draw on national experiences and policy experimentation occurring across the OECD’s 35-member countries, its accession countries, key partners and many other economies involved in the OECD’s work.

At the meeting, which featured USCIB member Chris Boyer (AT&T), Business at OECD members emphasized the importance of a multi-stakeholder approach to cooperation and information exchange between actors – business, government, civil society and the technical community – to ensure effective and appropriate security and privacy protections.

Business Issues Statement on Future OECD Accessions

As more countries in Europe and Latin America apply for membership with the Organization for Economic Cooperation and Development (OECD), the Business at OECD (BIAC) Executive Board issued a statement noting, in part, that a commitment to open markets should guide any decision to the opening of accession negotiations.

The letter emphasizes: “the accession process should encourage countries to improve their business environment and engage in the necessary reforms,” noting that “more than ever, business depends on an enabling environment to support trade and investment in global markets.”

The OECD has yet to respond to the applicant countries (Argentina, Brazil, Peru, Bulgaria, Croatia, and Romania) as OECD enlargement on this scale raises important questions on the mission and governance of the organization. USCIB Director for Investment, Trade and Financial Services Eva Hampi will be providing input on behalf of U.S. business into this process.
ILO Launches Inquiry Into Rights Violations in Venezuela

For only the 13th time in its history, the International Labor Organization's (ILO) Governing Body agreed to appoint a Commission of Inquiry for Venezuela to examine allegations of the Venezuelan government's non-compliance with a number of legally-binding ILO Conventions. Specifically, allegations were made of attacks, harassment, aggression and a campaign to discredit the employers' organization – FEDECAMARAS – its leaders and affiliates.

“The action is especially notable because it is a rare instance of ILO action supporting an employer organization’s right to freedom of association,” said Ed Potter who serves as the USCIB’s ILO Governing Body member. It is the only other time, again after a decade old fight, that an Employer freedom of association case was approved for a Commission of Inquiry by the GB.

The allegations against Venezuela state a lack of consultation with FEDECAMARAS on laws that affect the labor and economic interests of the employers, and the adoption of numerous increases to the minimum wage without consultation with employer and worker representatives.

“In taking the decision to set up the Commission of Inquiry, the Governing Body expressed deep concern about the lack of any progress with respect to its previous decisions and recommendations regarding the complaint,” noted Eva Hampel, USCIB director for investment, trade and financial services. “There is concern in the business community about the Administration’s alleged push to conclude an agreement on an accelerated timeline.”

Hamel led one of the groups that went up to the Hill last week, where she met with several Republican and Democratic Senate offices throughout the day.

“While the various offices are certainly focused on NAFTA, they do not appear to have a definite action plan on what to do in the event of the potential negative scenarios that may take place, such as withdrawal from NAFTA 1.0 or an inadequate NAFTA 2.0.,” said Hampl.

USCIB Welcomes Senate Confirmation of McAleenan as CBP Commissioner

USCIB applauded the Senate’s confirmation of Kevin McAleenan as commissioner of U.S. Customs and Border Protection (CBP) on March 19.

“Kevin McAleenan is the right man for the job,” said USCIB President and CEO Peter M. Robinson. “As Acting Commissioner, he has demonstrated strong, skilled and knowledgeable direction to CBP. Under his leadership, the agency is positioned to move forward effectively in addressing the challenges and complexities of the trading environment in the U.S.”

USCIB is actively engaged with CBP on a range of issues, including, but not limited to customs valuation, customs classification continued ratification and, implementation of the WTO Trade Facilitation Agreement, engagement with the work of the World Customs Organization, and continued progress toward the Automated Customs Environment. It is working with the International Chamber of Commerce (ICC), to encourage the streamlining of customs practices overseas.

Robinson noted USCIB’s role in overseeing the ATA Carnet service in the United States under CBP authorization. ATA Carnets are internationally recognized customs documents that enable the duty-free, tax-free importation of product samples, goods for trade shows and professional equipment into some 80 countries worldwide for up to one year.

Colombians in Washington Lobby on OECD Accession

USCIB has been actively involved in various meetings in March with the Colombian government, business community and civil society on the issue of Colombia’s accession process to the Organization for Economic Cooperation and Development (OECD). USCIB Director for Investment, Trade and Financial Services Eva Hampel, who coordinates U.S. business input on OECD accession issues, attended a number of these meetings, along with USCIB Senior Vice President for Policy and Government Affairs Rob Mulligan.

“With only two outstanding OECD Committees left to approve the accession, Colombia has ramped up lobbying efforts to the U.S. business community and government,” said Hampel. The outstanding committees are the Committee for Employment, Labor and Social Affairs (ELSA) and the Trade Committee.

In anticipation of the upcoming meeting of the Trade Committee, Colombia’s Minister of Trade Maria Lorena Gutierrez met with USCIB to discuss outstanding issues on pharmaceuticals, distilled spirits and truck scrapping, as outlined in the Business at OECD (BIAC) Pre-Accession Recommendations. Also part of the delegation was Colombia’s Minister of Finance and Public Credit Mauricio Cardenas Santamaria, who advocated strongly for Colombia to accede prior to the end of Colombia’s President Juan Manuel Santos term this summer.

USCIB also had a meeting with ANDI, the National Business Association of Colombia, to discuss outstanding issues for business.
USCIB Pushes for Equitable, Stable Tax Systems and SDG Implementation at UN

Over 500 participants attended the First Global Conference of the Platform for Collaboration on Taxation and the Sustainable Development Goals (SDGs) on February 14-16 at the United Nations headquarters in New York. The conference was spearheaded by the OECD, the World Bank, the International Monetary Fund and the United Nations’ office for Financing for Development (FfD). Participants included governments from over 110 countries as well as representatives across the UN system, multilateral development banks, business and other non-governmental organizations.

This meeting was the latest action pursuant to the FfD Addis Ababa outcomes calling for international cooperation on domestic resource mobilization, in relation to taxation and Base Erosion and Profit Shifting (BEPS). As such, it aimed to advance global dialogue with relevant stakeholders on how to better design tax policy to achieve the SDGs.

Pascal Saint-Amans of the OECD Tax Policy and Administration Centre was actively involved, reminding the conference in several interventions that the Inclusive Framework on BEPS has been an open and inclusive process, in which dozens of developing country representatives have been involved.

Will Morris, chair of the Business at OECD Tax Committee stated that the combination of new tax programs, rules and reforms is moving toward enhanced international cooperation and better practice at the local level. He stated that business is rarely the source of obstacles in tax reform; more frequently, disagreements between governments are the source of blockages.

The wide-ranging discussions in main sessions and side events focused on three areas: opportunities to improve international cooperation and advance capacity building on taxation, options to enhance international cooperation for domestic resource mobilization relevant to SDG implementation, and tax policy to motivate SDG-facing choices for environment, health, and energy.

“Fighting perceptions of a ‘race to the bottom’ approach by business – the reality is that business seeks equitable and stable tax systems, and level of taxation is one consideration among many,” said Norine Kennedy, USCIB vice president for strategic international engagement, energy and environment, who attended the meetings. “Successful tax reform depends on trust and confidence of citizens, and on transparency. Collaboration among governments, labor organizations and employers’ groups can advance that trust both in taxation and overall economic policy.”

USCIB Plays Key Role at OECD and BIAC Investment Meetings

Claman, Director of International Government Affairs, joined USCIB Vice President Shaun Donnelly at the most recent meetings of the Organization for Economic Cooperation and Development (OECD) and Business at OECD (BIAC) Investment Committee meetings in Paris (March 12-13).

Claman offered business perspectives on the day’s debates on investment treaties and investment chapters as tools to protect and promote much-needed Foreign Direct Investment (FDI) flows around the world during the wrap-up panel for the OECD’s day-long annual Investment Treaties conference.

After BIAC’s in-house Investment Committee discussions and strategizing on March 13, Donnelly and Claman joined the BIAC delegation, as well as invited labor and civil society “stakeholders,” to participate in the OECD Investment Committee’s discussion of “National Security” provisions and exceptions in investment agreements.

“This was a very timely topic in light of the Trump administration’s invocation of ‘national security’ justification for steel and aluminum tariffs,” said Donnelly. “Business took a strong position that national security provisions and especially their ‘self-judging’

continued on page 17
Hampl Moderates Panel on Trade and Corruption in Paris

USCIB Director for Investment, Trade and Financial Services Eva Hampl was in Paris the week of March 26, participating in the Organization for Economic Cooperation and Development’s (OECD) Global Anti-Corruption and Integrity Forum, during which she moderated a panel on “Integrity & Trade: No Need to Grease the Wheels,” which focused on the relationship between trade facilitation and opportunities for corruption at the border. Other speakers included Senior Trade Policy Analyst at the OECD Evdokia Moise, Policy Director of Trade Negotiations at the Ministry of Foreign Affairs of Norway Benedicte Fleischer, Capacity Building Director at the World Customs Organization Ernani Checcucci, and Director, ABAC Governance and External Engagement at GlaxoSmithKline Gonzalo Guzman.

“Corruption is a cost to business and companies invest in compliance systems, however there are limitations to what business can effect internally,” said Hampl. “The customs border presents many opportunities for corruption. One vehicle to address these issues, of course, is the WTO Trade Facilitation Agreement. USCIB has been very active in promoting the ratification of the agreement with U.S. FTA partners, as well as within the Asia Pacific Economic Cooperation (APEC). As always, implementation is the key, and robust implementation is required to achieve the full benefits of the agreement.”

“Illicit Trade” Work Heating up at OECD

The Organization for Economic Cooperation and Development (OECD) Governance Committee’s Task Force on Illicit Trade is raising its profile and tempo of work and increasing its effort to include the private sector in that workstream.

USCIB Vice President Shaun Donnelly led Business at OECD’s (BIAC) participation in the first of two days of Task Force meetings in Paris on March 15-16 with strong participation from USCIB member companies and other private sector representatives. Deputy Assistant Secretary at the U.S. Department of Homeland Security Christa Brzozowski is one of the two new co-chairs for this OECD Task Force, driving this important OECD work and providing strong senior-level U.S. government leadership.

“Illicit trade is a broad and elastic concept, including but not limited to pirated, counterfeit, “gray market”, and smuggled goods but also illicit movement of arms, drugs, antiquities and endangered species as well as and human trafficking,” commented Donnelly. “As the OECD steps up its policy and coordination efforts to combat illicit trade, strong, broad and proactive private sector involvement will be essential.

Your tax business is now everyone’s business.

How sharp is your focus on tax transparency?

Combining guidance and insight, KPMG helps you address demands for greater tax transparency. We work with you to simplify processes and meet challenges created by increased public scrutiny and evolving regulations. Learn more at KPMG.com/us/tax

Anticipate tomorrow. Deliver today.

©2017 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. Some of the services or offerings provided by KPMG LLP are not permissible for its audit clients or affiliates. NDPPS 713950
ICANN Focuses on Compliance of Registration Data and Privacy

The Internet Corporation for Assigned Names and Numbers (ICANN), which is responsible for ensuring the security, stability and resilience of the domain name system (DNS), held its Community Forum in San Juan, Puerto Rico on March 10-15. The Forum attracted over 2,000 participants from business, government, civil society, and the technical community from 150 countries, including USCIB Vice President for ICT Policy Barbara Wanner. Over 300 sessions delved into a range of topics relating to the Internet’s addressing and identifier systems. Last year’s implementation of the EU General Data Protection Regulation (GDPR) drove discussions throughout the week-long meeting.

Wanner, who serves as the business constituent representative to the Commercial Stakeholders Group (CSG), provided greater input to policy discussions at the executive committee level on behalf of USCIB members and facilitated important meetings with senior ICANN officials and key constituencies.

The focus of the Forum was an ICANN interim model aimed at ensuring that ICANN and the industry of more than 1,000 generic top-level domain registries comply with existing ICANN requirements concerning the collection of registration data (known as the WHOIS database) as well as meet the EU’s privacy protection requirements. Business participants also surfaced a proposal to establish an accreditation mechanism to enable third party access to data for law enforcement, consumer protection, brand management and intellectual property protection purposes.

On March 8, ICANN proposed the so-called Calzone interim model, an approach that ICANN maintained endeavors to strike a balance between proposals put forward by various community stakeholders.

“Commercial business users raised concerns with the interim model, however, maintaining that it is overly broad in scope and does not sufficiently support legitimate public interests in allowing access to certain data for law enforcement, consumer protection and intellectual property protection,” commented Wanner. “In order to gain access to this non-public data, business users proactively proposed a mechanism that would enable accredited users to gain access to the data they need to pursue legitimate business and public interests.”

IGF Discusses Gender, Trade, Digital Security and More

More than 2,000 stakeholders from business, government, civil society, the technical community, and academia gathered in Geneva, Switzerland last December for the 12th Internet Governance Forum (IGF). The four-day conference featured wide-ranging discussions under the overarching theme, “Shape Your Digital Future.”

USCIB Members joined global business colleagues under the aegis of ICC-BASIS in urging that the IGF continue to serve as a forum for multistakeholder discussions about Internet governance issues and as an incubator of ideas and best practices about how to most effectively address opportunities and challenges in the digital ecosystem.

ICT Policy Committee Chair Eric Loeb, (AT&T), provided the business perspective on Internet governance issues in a special high-level thematic session, “Shaping our Future Digital Global Governance,” which officially opened the IGF.

USCIB members and USCIB Vice President for ICT Policy Barbara Wanner made important contributions on leading topics of this year’s nearly 200 IGF workshops. Wanner who spoke on the panel, “Navigating Gender and Youth Challenges: Telling Stories about Women, Technology, and Creation,” emphasized the role of both governments and business in ensuring that the digital gender divide is bridged.

“One of the largest barriers to many women and youth in terms of entering the digital system has to do with culture,” said Wanner. “A government cannot simply have on the books policies that ensure equal rights. They have to follow up and see that the laws are properly implemented and effectively transcend cultural mores that can hold back women of all ages. I have been very inspired by the various initiatives pursued by USCIB members aimed at developing STEM skills and coding by young women to enable their involvement in the digital economy. Going to the heart of my topic, though, I would say that business also is keenly aware of the importance of enabling generational exchange as a means of bringing more youth and women into the digital ecosystem.”
USCIB Supports US Candidate for Leadership Position at ITU

USCIB and the U.S. International Telecommunication Union Association (USITUA) jointly organized a special roundtable discussion on April 5 in Washington, DC to hear a brief of Doreen Bogdan-Martin’s candidacy for director of the International Telecommunication Union (ITU) Telecommunication Development Bureau (BDT).

The Roundtable attracted nearly 40 participants from both trade associations, as well as from the U.S. Government and the Washington, DC diplomatic community.

The U.S. Government will formally deposit Bogdan-Martin’s candidature prior to the ITU Plenipotentiary (PP-18), which will take place in Dubai in October. Senior U.S. Government officials have already indicated that one of Washington’s leading goals at the PP-18 is to secure Bogdan-Martin’s election to this post, highlighting her track record with the ITU, including being the chief architect of the Global Symposium of Regulators, coordinating the UN Broadband Commission, and recently launching ITU’s new gender empowerment initiative, EQUALS.

“Doreen’s candidacy is significant because she is the only female candidate for this position,” said Barbara Wanner who leads USCIB’s work on ICT policy. “Importantly, she brings 20 years of experience at the ITU, include 14 years in the Telecommunication Development Bureau, most recently as the Chief of ITU Strategic Planning and Membership. USCIB members strongly support Doreen’s candidacy, knowing that she will pursue the development agenda in a manner that thoughtfully considers all stakeholders’ views.”

During the course of the roundtable last week, Bogdan-Martin noted that the two most significant obstacles to connecting the remaining 3.9 billion people in the world who are still offline are the still-high costs for services and devices, as well as the lack of relevant content to stimulate demand for access and online services.

“I envisage the BDT redoubling its efforts on digital inclusion, which is at the core of the 2030 Agenda,” noted Bogdan-Martin. “Together we will make the ITU-D a thriving, forward-looking community of Members served by a BDT known for quality, relevance, and practical solutions.”

Election of the director of the ITU Telecommunication Development Bureau (BDT) will take place at the ITU Plenipotentiary in Dubai later this year (October 29-November 16, 2018).

Leadership that inspires action

These are words that describe the work of The United States Council for International Business. It leads. It inspires action on issues to advance the global interests of American business. And it is an organization we are proud to support.

We applaud the efforts of The United States Council for International Business as it continues to work for an open system of world trade, finance and investment, where business can flourish and contribute to economic growth, human welfare and environmental protection.

www.pwc.com
USCIB Pushes for Women’s Empowerment at ILO Event

The International Labor Organization (ILO) organized a panel discussion during the UN Commission on the Status of Women on March 16, featuring remarks from Ambassadors of Rwanda and Canada, Valentine Rugwabiza and Louise Blais, respectively. USCIB Senior Counsel Ronnie Goldberg joined the panel titled, “Gender Equality at the Heart of Decent Work for Rural Women.” Speaking on behalf of Employers in the International Organization of Employers (IOE), Goldberg pointed out that many of the challenges women generally face are amplified for rural women. “Infrastructure development, girls education, skills, entrepreneurship, rule of law, effective property rights and access to credit are vital elements in any policy to create jobs and improve the lives of working women in rural areas,” stressed Goldberg.

Goldberg also emphasized that “rural” does not necessarily mean “agriculture.” “A focus on development in such areas as food processing, transport, and tourism has the potential to empower more women into work,” she added.

BIAC Hosts Gender and Skills Seminar, Launches New Report

Business at OECD (BIAC) hosted a seminar on gender equality and skills as part of the OECD’s March on Gender Initiative on March 9 in Paris. The seminar was chaired by Ronnie Goldberg, USCIB senior counsel, and marked the official launch of the BIAC report “Preparing All our Minds for Work: Girls, women and learning over a lifetime” (2018), produced by BIAC and USCIB with support from Deloitte and Dell. This is the third in a series of BIAC reports that highlight business efforts towards the global advancement of women and girls in the economy.

The focus of the seminar was on corporate efforts to address unconscious bias impacting gender equality at work and featured a summary of the 2018 BIAC report and a presentation by Dell on their implementation of the MARC (Men Advocating Real Change) initiative. MARC aims to identify where unconscious bias exists and aims to promote a more collaborative and inclusive leadership style.

“Empowering women in the workplace has positive consequences for the lives and careers of both women and men — as well as for the companies that employ them,” said Goldberg. “There has been progress, but it is painfully slow. Initiatives such as MARC are making an important contribution to the cause of gender equality.”

Gabriella Rigg Herzog, who leads USCIB work on corporate responsibility and labor affairs, added “Empowering women to participate meaningfully in the global economy is good for families, communities, business and society. We applaud BIAC and the OECD for their leadership in bringing attention to practical tools and best practice examples to reduce gender discrimination and support women in the world of work.”
USCIB Disappointed at Lack of Multilateral Progress at WTO Ministerial

USCIB expressed disappointment at the lack of meaningful multilateral progress following the most recent World Trade Organization ministerial that concluded in Buenos Aires on December 13.

“Expectations for Buenos Aires were low coming in, and unfortunately the results largely lived up to them,” said USCIB President and CEO Peter M. Robinson, who represented USCIB at the ministerial. “The business community, which relies on cross-border trade and investment to help contribute to economic growth and societal well-being around the world, is disappointed. But we do hold out some hope for future progress based on the commitment by large groups of countries in pursuing new agreements.”

On the sidelines of the ministerial, 70 countries, led by Australia, Japan, and Singapore, and including the United States and the European Union, agreed to begin discussions toward negotiations on electronic commerce. USCIB joined the International Chamber of Commerce (ICC), for which it serves as the American national committee, in welcoming the move.

“Today’s statement is a very welcome step forward by governments representing 77 percent of global trade,” said ICC Secretary General John Danilovich. “We firmly believe that with the right global policies in place there is an opportunity to unleash a new era of inclusive trade, one in which all companies – regardless of size, sector or location – can benefit from equal access to the global trading system.”

Separately, ministers from over 60 countries issued a joint statement pledging to pursue negotiations on domestic regulations that limit cross-border trade in services. They also renewed a landmark 1998 moratorium on duties on electronic transmissions.

“Taken together, these results offer some hope for the future, and set a new and positive direction for the WTO,” said Robinson. “We are especially grateful for the persistence and vision of those members that pushed for continued positive movement on e-commerce.”

Robinson continued: “However, the lack of truly meaningful multilateral deliverables is worrisome. Members will need to think long and hard about what kind of WTO they really want – one that simply adjudicates trade disputes and sanctions trade enforcement remedies, or one that expands trade through new, market-opening agreements.”

USCIB Plays Key Role at OECD and BIAC Investment Meetings

continued from page 12

nature could be serious threats to the quality of investment treaty disciplines.”

Donnelly joined the Dutch BIAC Investment Committee Chair at the table for formal stakeholder consultations with the OECD Committee, where they outlined BIAC policy priorities and positions, presenting BIAC’s “Proactive Investment Agenda for 2018.” The day concluded with Claman, Donnelly and the rest of the BIAC Investment leadership hosting an informal working dinner for the OECD’s Investment Committee leadership, a useful off-the-record forum for explanations, probing questions, and candid debate.

“It was a long and challenging couple of days but with challenges growing to investment agreements and especially Investor-State Dispute Settlement (ISDS), it's critical that USCIB be there standing up for strong investment protections, including effective enforcement/dispute settlement provisions,” noted Donnelly. “We offer special thanks to Kimberley for bringing her unique company and former USG negotiator expertise to the discussions.”
After months of awareness-building on the scope of the ATA Carnet usage with Brazilian Customs, Brazil has officially announced the acceptance of ATA Carnets. This exciting new development will allow all contracting parties to the ATA and/or the Istanbul Convention to enjoy ATA Carnet facilitations in Brazil. This change is also accompanied by an acceptance of hand-carried goods into the country.

Most explicitly, this new development will provide for duty and tax-free temporary admissions, allowing companies to use U.S. issued ATA Carnet to temporarily enter goods.

“Companies generally pay between 35-60 percent in duties exporting to Brazil, which will now be saved,” said USCIB CEO and President Peter Robinson. “This program will be particularly advantageous for U.S. companies bringing in products temporarily for trade shows and exhibits.”

Prior to the amendment, U.S. companies, as per domestic regulation, could not use U.S. issued ATA Carnets as they were not accepted in Brazil.

The ATA Carnet is the global gold standard for temporary admissions under the auspices of the World Customs Organization. ATA Carnets are international tools of trade facilitation, which serve as a temporary export-import documentation. The ATA System is in place in 87 countries and territories, and provides duty-free and tax-free imports on goods that will be re-exported within 12 months.

In calendar year 2017, there were over $6 billion worth of goods that moved under U.S. issued Carnets that helped to stimulate international trade for American businesses.
Ericsson’s Kallay to Chair USCIB Competition Committee

USCIB is pleased to announce that Dina Kallay, head of antitrust (IPR, Americas & Asia-Pacific) at Ericsson, a leading global supplier of telecommunications equipment and services, is the new chair of USCIB’s Competition Committee.

USCIB represents private-sector views to governments and policy makers worldwide via its affiliations with global business groups to focus especially on the work of the International Competition Network (ICN) and the Organization for Economic Cooperation and Development (OECD).

“We are delighted that Dina Kallay will lend her expertise and industry leadership to our work on global competition and antitrust policy,” said USCIB President and CEO Peter M. Robinson. “As the U.S. continues to look to the ICN and OECD to foster international convergence and cooperation on competition law, including the coordination of cartel enforcement, we intend to serve as an even stronger voice for business in these forums.”

Prior to joining Ericsson in 2013, Kallay served as counsel at the U.S. Federal Trade Commission’s Office of International Affairs, where she focused on Asian and multilateral competition matters as well as on worldwide antitrust intellectual property matters. She previously worked at the European Commission’s antitrust agency (DG COMP), and practiced antitrust and intellectual property law at a number of law firms, most recently at Howrey LLP. Kallay is vice chair of the American Bar Association’s Section of Antitrust Law IP Committee and a non-governmental advisor to the ICN. She also serves as an adjunct professor at Georgetown Law School.

The USCIB Competition Committee promotes international legal policies that favor an open and competitive environment for U.S. business. The committee monitors global competition developments and contributes industry’s perspective through USCIB’s global network.

USCIB Welcomes New ATA Carnet Advisor Frankie Raddish

In January, USCIB welcomed Frankie Raddish as senior trade advisor in our Trade Services division. Raddish will be supporting the ATA Carnet area by project managing the development and implementation of the U.S. Mercury system. U.S. Mercury is the system that will be used to digitize the ATA Carnet process in the U.S. In addition, Raddish will be supporting the ATA Carnet Claims area.

Raddish, who has a BS in Biology from North Greenville University, is an experienced logistics professional who has worked for Sandler & Travis Trade Advisory Services supporting clients such as GE Healthcare based in Greenville, SC. She has helped her clients ensure regulatory compliance with governmental agencies such as the FDA and EPA; she has helped to reduce operating costs within the import supply chain, tariff classifications and developing pre-entry workflows for international clearances to avoid exceptions dealing with complex products such as commodities and medical devices.

New USCIB Members

We are delighted to welcome the following companies and organizations as the latest additions to USCIB’s diverse membership:

- Biotechnology Innovation Organization
- FMC Corporation
- Holland & Hart LLP
- Nike
- Winston & Strawn LLP

To learn more about how USCIB membership can benefit your organization, contact Alison Hoiem (202-682-1291 or ahoiem@uscib.org).
may 2018

14 – 17  Sixteenth Session of the Committee of Experts on International Cooperation in Tax Matters
14 – 18  Meetings of the OECD Committee on Digital Economy Policy (CDEP) and its Working Parties, Paris, France
15  ICC Commission on Taxation Meeting, UN Headquarters, New York
14 – 18  Meetings of the OECD Committee on Digital Economy Policy (CDEP) and Working Parties, Paris, France
28  USCIB International Leadership Award Dinner, New York
28 – 31  107th Session of the International Labor Conference, Geneva
29 – 30  OECD Forum, Paris, France
30  ICC Commission on Trade and investment Policy Meeting, Paris, France
30  ICC Commission on Corporate Responsibility and Anti-Corruption Meeting, Paris, France

june 2018

4  USCIB Tax Committee Meeting, Washington, D.C.
4 – 5  OECD International Tax Conference, Washington, D.C.
5 – 6  3rd UN Science, Technology and Innovation Forum, New York
11 – 18  UNGA High Level Event on SDG Financing, New York
20  USCIB ICT Policy Committee Meeting, Washington, D.C.
25 – 28  ICANN 62, Panama City, Panama
25 – 26  ICC Marketing Commission, Paris

july 2018

9 – 18  UN High Level Political Forum on Sustainable Development