**2021 USCIB Trade and Investment Agenda**

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 not only critical to the continued growth of our member companies and the continued growth of the U.S. economy, but are key to American competitiveness in the global marketplace. 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 while establishing a level playing field for U.S. companies, removes barriers and unfair trade practices that undermine Americans’ jobs and delivers the widest benefit to people and communities here at home.

- USCIB believes the role of the World Trade Organization (WTO) is vital in bringing together countries to reach much-needed agreements on global trade and constitutes the cornerstone of our rules-based trading system. USCIB recognizes and supports the need for reform of the WTO’s structure and operations that will improve its effectiveness and promote global trade and investment.

- USCIB believes a multilateral (or, when necessary, plurilateral) approach to addressing issues in the global economy is critical to achieving our goals related to open markets, rule of law, and a level playing field. U.S. leadership in the Asia-Pacific Economic Cooperation (APEC) forum is a vital component of that strategy and should be leveraged. The Administration should publicly commit to hosting APEC 2023 to re-establish U.S. leadership on important international economic issues.

- USCIB supports protections for foreign direct investment that include strong enforcement mechanisms to ensure U.S. investors have access to an independent rules-based arbitration system when foreign governments expropriate their assets, ignore international minimum standards of treatment, discriminate against them 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 international organizations to support their mission and to shape the rules for doing business around the world.

- USCIB recognizes that digital trade is now fundamental to the way all companies do business around the world. We support a strong agenda for the digital economy including adoption of policies that facilitate trade of digital goods and services, especially for MSMEs, as well as the free flow of data, and national privacy legislation. We oppose
policies and regulations that create barriers to trade and investment such as restrictions on cross-border data flows, requirements to store data locally, unilateral tax measures that discriminate against digital firms, discriminatory approaches to competition and platform regulation, cloud market access restrictions, and the application of customs duties and other processes on cross-border electronic transmissions.

- USCIB believes that Congress should fully exercise its Constitutional role in determining U.S. trade policies, in implementing trade agreements, and in oversight of the enforcement of trade agreements. Congress should make clear, with safeguards, its intentions when delegating authority to the Executive for regulating trade. Congress should exercise its role in foreign commerce to ensure U.S. policies are balanced and effective.

- USCIB believes that to the extent national security is invoked with respect to trade matters it should be narrowly focused, fact based, and not as a pretext to avoid WTO rules and procedures. Moreover, the U.S. government should use export controls consistent with the policies and provisions in the Export Control Reform Act in order to ensure that current and new export controls advance national security and preserve U.S. economic and innovation leadership.

- USCIB strongly supports the negotiation of comprehensive, high-standard trade agreements that cover the fullest possible range of sectors and issues to achieve open markets for American companies. It is important for agreements to address barriers confronting all sectors of the economy.

- USCIB supports efforts to ensure that 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 and ensure a level playing field for U.S. business.

- USCIB believes that a managed trade approach to trade policy, used to protect or benefit sectors of the economy in a manner that does not uphold a commitment to fair and open trade, is harmful to U.S. companies and economic growth and development. This includes the liberal use of unilateral tariffs without a clear strategic target.

- We urge the U.S. Administration to utilize all the assets available for engagement with foreign governments and civil society to address human rights concerns, including child labor and forced labor, to identify multi-stakeholder solutions to addressing critical human rights and labor issues.

- USCIB believes that we need policies and programs that support U.S. workforce competitiveness by preparing U.S. workers for future employment opportunities and helping them adjust to changing skills demands and technological change.

- USCIB believes that business stakeholders globally should cooperate on advocacy efforts in support of the global rules-based trade and investment system. As the U.S. industry representative to the International Chamber of Commerce (ICC), Business at OECD (BIAC), and the International Organization of Employers (IOE), we are uniquely positioned to coordinate with the full range of international business groups.

- USCIB believes that U.S. competitiveness, as well as market access for U.S. goods and services, is increasingly restrained by discriminatory and non-transparent "behind the
border” regulations and policies and will work to make cross-border regulatory coherence and cooperation a top priority in government-to-government negotiations and dialogue.

- USCIB supports tax systems that foster cross-border trade, investment and growth. Tax systems must also reduce double taxation and tax disputes, which requires countries to agree on applicable principles. Tax systems should not be discriminatory, nor should they single out certain sectors for differential or punitive treatment.

- USCIB supports strong, effective and reliable protections for intellectual property (IP) rights that promote creativity, innovation, and digital growth consistent with U.S. law and that are adequately enforced.

- USCIB supports a strong services trade agenda that could generate significant economic growth and jobs through broader and deeper services trade liberalization.

- USCIB supports a more rigorous enforcement of existing unfair trade practice laws, including actions to protect US business from unfair subsidy practices, but also accepting Congressionally articulated conditions and criteria under existing law that are WTO compliant and do not invite mirror forms of retaliation by foreign governments that burden US commerce.

**USCIB Action Plan for 2021 on Trade and Investment**

The year 2021 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 to ensure 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 procedures, 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 also push for renewal of TPA, which expires in July of 2021.**

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 and pro-innovation trade and investment agreements going forward.

USCIB members continue to be concerned about the use of import restrictions and unilateral tariffs to pursue U.S. trade objectives in a manner that undercuts the global competitiveness of U.S. companies. At the same time our members face growing tariffs, restrictive regulations and other new barriers to doing business in China and elsewhere. U.S. companies are being pressed to restructure global supply chains in ways that will disadvantage them in relation to their foreign competitors who are not facing similar impediments to trade. **The U.S. should continue to hold its trading partners, including China, accountable for complying with their international obligations and vigorously pursue a level playing field overseas, but in doing so must avoid policies that undermine U.S. industry competitiveness.** Similarly, with respect to export controls and sanctions, we support a narrowly tailored approach that achieves national security objectives without walling off U.S. industry from global talent and global trade. The United States should return to its historical policy of narrowly defining the role of national
security in determining international trade policy so as to avoid its use for protectionist ends that ultimately erode U.S. influence on trade policy globally. National security concerns should be carefully considered in the context of long-term American competitiveness and not used as justification for unwarranted and trade-distorting protectionism.

The Administration should prioritize continued, constructive engagement with their European counterparts that helps ensure the ability of U.S. companies to efficiently conduct cross-border data transfers between the EU and the United States in light of the invalidation of the Privacy Shield Framework and underlying concerns raised in the EU Court of Justice decision in Schrems II.

USCIB welcomed the conclusion of the United States Mexico Canada Agreement (USMCA), and its entry into force in 2020. The USMCA contains provisions updating the 1994 pact to better reflect the modern economy, including the reality of North American supply chains that enhance U.S. competitiveness. It also recognizes 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 goods and services. Full implementation of the agreement is vital for US companies to realize the full benefits of the agreement. While USCIB supports USMCA as negotiated, the agreement includes provisions in areas such as investment protection, IP protection and government procurement that represents a step backward and should not be viewed as models for future trade agreements.

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. While the digital agreement reached with Japan in 2019 is positive, we strongly urge the Administration to negotiate a second phase agreement that will be more comprehensive, enforceable and more ambitious in scope.

More importantly, the Administration should also join and improve the CPTPP as an effective and comprehensive way to support American competitiveness in this critical region. Allowing other nations (including some with very different economic systems and priorities) to write the rules in this fast-growing region (such as the recently concluded and less ambitious Regional Comprehensive Economic Partnership – RCEP) would be a strategic misstep. Some of our most important trading partners in the region have already ratified CPTPP which has now come into effect and gives companies in those countries competitive advantages over U.S. companies.

As the Administration looks to engage multilaterally with our trade partners, APEC presents a great opportunity for U.S. leadership. We will 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. As APEC considers a post-2020 vision to advance further economic integration and inclusive growth across the region, U.S. leadership in shaping the next chapter for APEC is very important. The Administration should publicly commit to hosting APEC 2023 as an effective way to reestablish U.S. leadership on important international economic issues regionally and globally.

China presents great opportunities and great challenges for the United States and U.S. business. Aside from the geopolitical issues present in the relationship, unfair and discriminatory trade practices, including forced technology transfer practices, foreign investment restrictions, severe digital and cloud market access prohibitions, and other protectionist policies instituted under the guise of cybersecurity, significantly
disadvantage and weaken the global competitiveness of U.S. companies in China. Further, Chinese government support for 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 that is structured to achieve significant results could facilitate that goal. We believe that a plurilateral approach to engaging with China – joining CPTPP in particular – will present the best opportunity for forcing China to change its discriminatory trade policies.

USCIB welcomed the phase one agreement reached in December 2019 which went into effect February 2020, that addresses some of the issues with China while reducing some of the tariffs imposed by the U.S. To date, the agreement still has not been fully implemented. We will also continue to press the U.S. government to reach a comprehensive agreement that compels China to eliminate its barriers and practices that impede U.S. companies and removes the U.S. tariffs. Key market access issues, such as updating the U.S.-China Film MOU present significant opportunities for U.S. exports. We continue to believe that the imposition of unilateral tariffs under the Section 301 action is not the best way to address issues with China, which has not significantly improved its treatment of U.S. business in China since their enactment. The tariffs and the subsequent retaliation have raised costs for U.S. companies and consumers and undermined the global competitiveness of our companies. We will urge the Administration to develop a comprehensive strategy working with other countries for pressing China to further open its markets and eliminate the proliferating Chinese policies aimed at hindering access in a framework that maintains stability in the relationship and does not undermine current successful operations of U.S. companies. The announcement of the EU-China trade and investment framework creates further urgency for this diplomatic engagement to counter China’s discriminatory practices.

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 still exist for U.S. companies to grow and expand business in the EU if remaining barriers, especially related to regulatory differences and new discriminatory digital actions, could be addressed through trade negotiations or through some other effective and binding format. We support the pursuit of comprehensive negotiations with the EU on a trade and investment agreement. We urge moving forward quickly on an agreement that will address remaining barriers to trade between the United States and Europe and establish regulatory cooperation mechanisms for preventing future barriers, and we support a transatlantic Tech and Trade Council to address new and existing digital barriers. To highlight the importance of the EU trade relationship, the United States should accept the EU proposal to hold an EU-US summit in 2021 with a focus on digital standards and addressing challenges in China.

USCIB has opposed unilateral digital services taxes because they discriminate against U.S. corporations; they significantly increase the risk of double taxation; they conflict with prevailing international tax principles by taxing gross revenue as opposed to profits, resulting in the over taxing of companies; and they violate income tax treaties and other international agreements. We continue to believe that a multilateral agreement on the international allocation of taxing rights that taxes companies on net income and avoids double taxation is the best solution to the problem of the taxation of the digitalizing economy.

As foreign governments propose carbon prices and corresponding carbon border adjustment mechanisms, it is critical that the U.S. government work with them to ensure that their measures are WTO compatible and maintain a fair and level playing field between foreign and domestic industries. We encourage consideration of a multilateral approach to trade by energy-intensive industries so as to avoid the creation of unilateral trade barriers that could impede U.S. exports.
USCIB supports the negotiations of a comprehensive, high-standard trade and investment agreement with the UK that protects and promotes the interests of U.S. companies and workers. A US-UK agreement, negotiations for which commenced in May 2020, can set new and important standards and commitments for free flow of trade and investment, including mutual recognition of standards and regulations across many sectors such as the financial sector. It is also an opportunity to promote risk- and science-based approaches to regulation and establish regulatory cooperation mechanisms to prevent barriers to trade, while maintaining high levels of protection for human health and safety and the environment. We hope that quick progress can be made in completing an agreement in 2021.

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 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 21st 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 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 21st century economy. Related to this, we will look at the best policies for enhancing U.S. competitiveness through improving sustainable infrastructure, 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. Likewise, we will work to discourage other countries from instituting non-WTO compliant retaliatory measures.

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. Particularly with a significant drop in global FDI as a result of the current crisis, we will continue to advocate for broad policies and for specific investment agreements which strengthen the policy and legal environment for FDI. In that regard, we urge reviving negotiation of bilateral investment agreements that have gone dormant in recent years. We also continue to oppose the creation of a one-sided, state-dominated multilateral investment court. 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 their assets, ignore international minimum standards, discriminate against them or break binding commitments to American investors.
In 2021 we will continue to leverage our unique international network of business associations to support work at the WTO aimed at opening markets either multilaterally or plurilaterally. We are encouraged by progress made by the Joint Statement on Electronic Commerce Group and welcome negotiations to update the WTO’s digital trade framework, including support for a permanent ban on the application of customs duties and other customs processes on electronic transmissions for all WTO members. At the same time, we recognize the need for the WTO to adapt to the changing global environment and support reforms to the WTO structure and operations that will enhance its ability to effectively open global markets, set fair rules for the international trading system and reflect the members’ agreed-upon obligations. Improvements are needed in areas such as the dispute resolution system and better implementation of required reporting and notification on regulations that impact trade. Addressing the structural issues that are impeding the organization’s ability to move forward on market opening negotiations are also needed. USCIB supports efforts for reform in issues related to special and differential treatment as well as enforcement. More regular dialogues with business, leveraging the Global Dialogue on Trade and other similar platforms, are important initiatives to pursue in shaping the future of the multilateral trading system.

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 and burdensome regulations
- regulations and fiscal measures that effectively single out U.S. companies for disparate treatment
- non-transparent and narrow regulatory practices
- 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
- 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 our members 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), Business at OECD 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 2021 sets out our framework for engaging policymakers and persuading them to take the important steps needed to maintain and improve the global trade and investment system.

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