UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS



# **USCIB Washington Update**

# Highlighting Key Activities, June-July 2014

During the months of June and July 2014 USCIB staff hosted the ninth annual OECD International Tax Conference with over 300 participants; represented members at meetings in Geneva focused on the Environmental Goods Agreement negotiations; met with Customs and Border Patrol Commissioner Kerlikowske; participated in a drafting session at the OECD on revisions to the 2002 Security Guidelines; launched a social media and advocacy campaign in the days before the first WTO Trade Facilitation Agreement deadline to try to save the deal; and much more. Below are summaries of these and other highlights from the activities of USCIB in Washington, DC and globally over the last two months. If you have any questions or comments, or want more information on a specific topic, please contact any of the staff members listed at the end of this brief.

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# Trade and Investment – Opening Global Markets for Trade and Investment

• Jai Motwane, USTR, Briefs Members on TTIP Investment at Trade Committee Meeting: On June 11, 2014 USCIB Trade and Investment Committee members met at Citi offices in Washington, DC to discuss updates on TTIP, TPP, TiSA, Russia sanctions, forced localization and investment issues. They were joined by Jai Motwane, Senior Director for Services and Investment at USTR and lead negotiator for investment issues in TTIP. Jai explained that while the European Union is evaluating the responses it received via its public consultation on investor-state dispute settlement, USTR will not attempt to push the EU or table further language in the investment arena. Contact Diana Jack (djack@uscib.org) for a summary of the meeting.

- Eva Hampl Attends EGA Negotiations in Geneva: As USCIB's representative in the Coalition for Green Trade, a recently-launched group in support of the WTO Environmental Goods Agreement, Eva Hampl, Director for Investment, Trade and Financial Services, attended meetings in Geneva with negotiators, business and other associations at the launch of EGA negotiations July 7-11. Also as part of this effort, USCIB provided a cover letter and submission on EGA priorities and products to USTR, and the Coalition for Green Trade wrote a global letter of support for the negotiations. Eva also participated in two roundtable events with negotiators and government officials.
- ICC and USCIB Team Up in Effort to Save the Trade Facilitation Agreement: Leading up to the July 31, 2014 deadline for adoption of the protocol on the WTO Trade Facilitation Agreement, which was in jeopardy after India raised concerns about food security issues, the ICC and USCIB worked together to encourage the U.S. government and our international network to save the TFA. Through a series of press releases, social media campaigns, infographics, letters to the editor, contacts with government officials and a letter from Peter Robinson to USTR Ambassador Froman, USCIB pressed hard for governments to advance the TFA but the WTO failed to reach consensus by the deadline.
- USCIB Hosts Crawford Falconer, OECD, for Discussion on STRI: On July 22, 2014, in cooperation with the U.S. Chamber and Coalition of Service Industries, USCIB hosted an opportunity for members to hear from Crawford Falconer, Head of Trade in Services and lead on the OECD's work on the <u>Services Trade Restrictiveness Index</u> (STRI). USCIB has been active in providing business input to OECD during the development of the STRI, and Washington, DC staff and membership appreciated the opportunity to hear from Crawford.
- USCIB Comments on EU TTIP Investment Issues: USCIB <u>submitted detailed</u> <u>responses</u> in early July to a European Union Commission "stakeholder comment" process on detailed questions concerning the investment chapter in the U.S.-EU TTIP negotiations. The EU process gathered nearly 150,000 submissions, many of them terse condemnations from opponents. Beyond our USCIB comments (coordinated through the Trade and Investment Committee), USCIB staff actively coordinated positions and strategies with two transatlantic business coalitions to maximize the impact of business input to the process.
- TPP Business Coalition WG on Investment and Financial Services Meets at USCIB: On June 23, 2014 the Business Coalition for TPP Working Group on Investment and Financial Services (co-chaired by USCIB Vice President, Investment and Financial Services Shaun Donnelly) met at USCIB with U.S. negotiators to review the status of those important TPP negotiations. USCIB member companies joined other leading trade associations in a frank and very useful off-the-record session.
- USCIB Welcomes New U.S. Ambassador to the OECD: Shaun Donnelly represented USCIB at the June 12 State Department formal swearing-in ceremony for Daniel Yohannes as the new U.S. Ambassador to the OECD in Paris. Ambassador Yohannes, an entrepreneur and banker who previously headed the USG's Millennium Challenge Corporation, has already hit the ground running in Paris. USCIB staff members are already working with Ambassador Yohannes and his staff to make sure U.S. government

representatives at OECD sessions understand the views, concerns, and priorities of U.S. business.

- BCTT Competition WG Meets: On June 6, 2014 the Competition Working Group of the Business Coalition for Transatlantic Trade (BCTT) met in Washington with the U.S. negotiators handling both "halves" under the competition rubric – traditional competition/anti-trust policy and the emerging issue of State-Owned Enterprises (SOEs). USCIB co-chairs that BCTT WG with the U.S. Chamber and the NFTC. Members got an update from our negotiators on the full range of competition issues which are important in TTIP both to address bilateral issues and to set a strong template for both the U.S. and EU to use in other major agreements.
- Shaun Donnelly and Eva Hampl Blog on European Investment Stances, TTIP
  Outlook: In the most recent installments of USCIB opinion pieces on Investment Policy
  <u>Central</u>, both Shaun Donnelly and Eva Hampl considered the status of TTIP
  negotiations, the <u>EU's stance on foreign direct investment</u>, and <u>Ambassador Froman's
  comments</u> regarding both of those topics.

# ICT Policy – Promoting Sound Policies for New Technologies

- USCIB Engages with Multiple Stakeholders at WSIS+10 High Level Event: Barbara Wanner, Vice President, ICT Policy, and other members of the ICT Policy Committee joined high-ranking officials of government, business, civil society, and the technical community June 9-11, 2014 in Geneva to develop and endorse an important document. This document explores the achievements and challenges of implementing the World Summit on the Information Society (WSIS) initiatives to bridge the digital divide, examines further enhancements of so-called WSIS Action Lines, and presents a vision for continued work beyond 2015 aimed at tapping the power of ICTs to fuel economic development.
- USCIB Members Play Leading Roles at OECD Meetings of the Committee on Digital Economy Policy (CDEP) and its Working Parties: ICT Policy Committee Vice Chair Joseph Alhadeff, Vice President for Global Public Policy and Chief Privacy Officer, Oracle, who also chairs BIAC's CDEP Committee, Barbara Wanner and members of USCIB's ICT Policy Committee made important contributions at OECD meetings June 16-20, 2014 in Paris. In particular, a core group of USCIB members participated in a special drafting session on June 17 to revise the 2002 Security Guidelines. They proposed changes aimed at clarifying conceptual elements, improving definitions of key terms, and addressing potential ambiguities. Under the BIAC banner, USCIB members also provided substantive inputs concerning (1) the CDEP Ministerial, which will be held in April or May 2016, and the related Program of Work and Budget (PWB), 2015-2016; (2) a study examining the economic implications of the transition from IPv4 to IPv6; (3) a proposed study to consider the security implications of the so-called Industrial Internet of Things (IIOT); and (3) research products pertaining to triple and quadruple play bundles of communications services and mobile market structures and network sharing.
- ICT Policy Committee Delves into IANA Transition with NTIA, ICANN Officials: At the June 30, 2014 meeting of the ICT Policy Committee, Fiona Alexander, Associate Administrator, Office of International Affairs, NTIA, and Theresa Swinehart, Senior

Advisor to the President, ICANN, explored with members developments related to the transition of NTIA's IANA stewardship functions and efforts to develop mechanisms to enhance ICANN's accountability in the absence of the back-stop function provided by the NTIA contract, set to expire on September 20, 2015. Alexander and Swinehart praised USCIB for offering thoughtful comments about the transition of NTIA's IANA stewardship and Enhancing Accountability. These provide key insights into a cross-sectoral and cross-community perspective on these critical issues, they said.

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

- **OECD USCIB Tax Conference Held June 2-3:** The ninth annual OECD-USCIB Tax Conference was held on Monday and Tuesday, June 2-3, 2014. The sold-out conference featured key representatives from the OECD's Center for Tax Policy and Administration, as well as senior tax officials from the United States and other OECD and G20 countries. The conference featured lively debate on the difficult issues of the taxation of the digital economy, intangibles, and other BEPS topics.
- USCIB Participates in June Meeting of the OECD's Committee on Fiscal Affairs in Paris: The OECD's CFA met with BIAC (including USCIB members Will Morris of General Electric, Carol Doran Klein, USCIB Vice President and International Tax Counsel and Chris Faiferlick of Ernst & Young) during the bureau's June meeting to discuss both 2014 action plan items and scoping of 2015 action plan items.
- Carol Doran Klein Briefs Business Groups on the Current Status of the BEPS Project: Carol recently spoke at meetings of the American Chemistry Council, the Business Roundtable, and will speak next week at the Tax Coalition updating the business community on the status of the BEPS project. See <u>here</u> for the slides that accompanied Carol's presentation.

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

- USCIB Meets with CBP Commissioner Gil Kelikowske: On June 10, 2014 USCIB members met with Commissioner Kerlikowske to discuss USCIB's work and how we engage with Customs as a stakeholder. Rob Mulligan discussed USCIB's global reach and the work we do to represent members in intergovernmental bodies such as the International Chamber of Commerce, the Business and Industry Advisory Committee at the OECD, and the International Organization of Employers. USCIB Senior Vice President, Carnet and Trade Services Cindy Duncan explained the importance of ATA Carnet to our organization. Director for Customs and Trade Facilitation Kristin Isabelli also explained our work at the World Customs Organization and our engagement with and support for CBP on different initiatives such as ACE (Automated Commercial Environment) and the CEEs (Centers of Excellence and Expertise).
- Kristin Isabelli Attends ICC Customs and Trade Facilitation Commission Meeting: On June 12-13, 2014 Kristin Isabelli attended the ICC Customs and Trade Facilitation Commission meeting in Paris. Topics discussed at the meeting included the WCO's work and engagement on the WTO Agreement on Trade Facilitation, *de minimis,* AEO/Trusted Trader Program and supply chain connectivity. Kristin spoke about the

work USCIB has done in creating a coalition to mobilize the private sector and assist with the implementation of the WTO Agreement on Trade Facilitation. She also gave an update of the World Customs Organization Harmonized System Committee 53<sup>rd</sup> meeting held in March 2014 in Brussels and about the project the WCO is undertaking in updating the Harmonized System by 2017.

- USCIB Members Meet Commissioner Kerlikowske for Brussels Roundtable: On June 27, 2014 USCIB members met with CBP Commissioner Kerlikowske in Brussels to discuss the work of CBP at the World Customs Organization and how best to engage and coordinate with stakeholders and other government agencies here at home and internationally. We discussed how USCIB, as the national affiliate to the International Chamber of Commerce, works with Customs at the WCO in the Harmonized System Committee and at the Trade Facilitation Working Group. CBP also provided an overview of current state of trade and set out the U.S. Customs and Border Protection vision for engagement with stakeholders on trade issues.
- USCIB Meets with USAID, USTR on WTO Agreement on Trade Facilitation: On July 22, 2014 USCIB, along with four other associations and their respective memberships, met with USTR and USAID to discuss the current state of play at the WTO and to present a possible new alliance with the public sector. The alliance would streamline donor assistance, capacity building, resource pooling and determination of priority countries and industries to expedite implementation of the Agreement on Trade Facilitation. During the meeting, Kristin Isabelli also presented a separate business coalition effort that we created with the National Foreign Trade Council, the U.S. Chamber of Commerce, the National Association of Manufacturers and the Express Association of America. Since Bali, the coalition has created a business action plan and the official launch of the business coalition will be in September.

# China – Supporting Policies and Relationships that Enhance U.S.-China Business

 Briefing on OECD-China relations with Jeff Blount: The China Committee convened an informative meeting on Thursday, July 24 2014 with Jeff Blount, Partner at Norton Rose Fulbright, based in Hong Kong and Beijing, who serves as the Business and Industry Advisory Committee (BIAC) China Task Force Vice Chair. The meeting included a discussion of the recent BIAC presentation at the OECD on the business environment in China to the OECD China group. Mr. Blount additionally reported out on OECD-China engagement and discussed current initiatives and opportunities. Specifically, China's National Development and Reform Commission (NDRC) has asked the OECD to provide input for the first time into their preparations for the 13th Five-Year Plan covering 2016-2020; USCIB members are encouraged to provide input to the OECD through BIAC on OECD-China cooperation and China policy reforms. All members interested in contributing to this statement should contact Justine Badimon at jbadimon@uscib.org before August 22<sup>nd</sup>.

# Membership

• *Membership Meetings:* The Washington, DC Membership department and policy staff, along with USCIB President and CEO Peter Robinson, met with representatives from member companies AT&T, Chevron, Nestle, P&G and Rockwell Collins to better

understand their policy priorities for the next year and beyond, and to see how USCIB can better serve their policy needs.

• **New Members:** USCIB has recently welcomed Foley & Lardner LLP and Koch Industries as new members.

**Upcoming Events:** 

APEC 3<sup>rd</sup> Senior Officials Meeting (SOM III) – August 18-19, Harbin, China

9<sup>th</sup> Internet Governance Forum – September 2-5, Istanbul, Turkey

USCIB Trade and Investment Committee Meeting – September 9, Washington, DC

**USCIB Customs and Trade Facilitation Committee Meeting** – September 16, Washington, DC

7<sup>th</sup> Annual USCIB Human Rights Conference – September 18, Atlanta, Georgia

ICC Trade and Investment Commission Meeting - October 2, Geneva, Switzerland

ICC Digital Economy Commission Meeting -- September 30-October 1, Paris, France

ICANN 51 – October 12-16, Los Angeles, California

**OECD Investment Committee and Subsidiary Bodies** – October 13-17, Paris, France

**UNCTAD World Investment Forum** – October 13-16, Geneva Switzerland

**OECD Working Party of the Trade Committee Meeting** – October 7-8 or 14-15, Paris

**OECD Investment Committee Meetings (Consultation to be confirmed) –** October 13-17, Paris

International Telecommunications Union (ITU) Plenipotentiary – October 20-November 7, Busan, Korea

New USCIB Conference:

**Exploring New Approaches to Trade, Investment and Jobs: Insight and Impact for Business from the OECD –** October 30, Washington, DC

2014 USCIB International Leadership Award Dinner – November 19, Washington, DC

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