



USCIB 2021 Crosscutting Policy Briefs

Recommendations to the Biden Administration:

Mobilizing for Recovery, Prosperity, & Sustainability

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USCIB CROSSCUTTING POLICY BRIEF

Climate Change & Innovation: Advancing Economic Prosperity & Environmental Progress Together

EXECUTIVE SUMMARY:

As the U.S. re-joins and re-engages with the Paris Agreement, it will be expected to prepare a Nationally Determined Contribution (NDC), setting out its climate policy objectives and describing the means by which those objectives will be met. A key consideration in developing the U.S. NDC will be to catalyze U.S. private sector innovation and enhance its competitiveness by cooperating with allies inside and outside the UN Framework Convention on Climate Change (UNFCCC), not only domestically but also in the international arena, via trade, investment and public-private partnerships.

We encourage the Administration to actively and substantively engage with the U.S. business community to set priorities and pursue climate policies throughout the multilateral system that advance economic, energy and environmental benefits both at home and abroad. Clearly, an all of government approach will be indispensable and building a trusted and recognized working relationship with business will be key.

While it may be tempting to quickly announce ambitious U.S. goals for 2030 and 2050, we encourage the Administration to first carry out a thorough assessment and society-wide dialogue with U.S. stakeholders, including the U.S. business community represented by USCIB; both a focus and an outcome of that dialogue would inform the development of the U.S. NDC.

The Obama Administration did prepare and announce national pledges in 2015. However, it did so with little consultation with representative American business organizations, relying instead on selective studies and modeling. To demonstrate leadership, ensure buy-in and gain credibility, the new Administration should not repeat that approach, which will likely not adequately reflect the real world circumstances U.S. companies face in meeting the needs of people and society, nor enlist the full potential of American companies to deliver the necessary innovation, investments and results for recovery, job restoration and an ambitious climate-friendly energy transition.

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

USCIB has represented U.S. companies in the UNFCCC process since 1993. It has a unique perspective and expertise arising from its economy-wide perspective, and its integrated view of the connections across innovation, investment, trade and other policy priorities connected with international climate change policy.

USCIB is ready to assist the Administration deliver its ambitious vision for climate action and economic benefit throughout the international community in a variety of ways:

- Cross-cutting experience reflected in multi-sectoral solutions and recommendations informed by the UN Sustainable Development Goals (SDGs) and 25+ years as a trusted and responsible business voice in the UNFCCC process
- As an entry-point to global business organizations and networks, such as the International Chamber of Commerce, Business at OECD and the International Organization of Employers, as well as the Major Economies Business Forum, to advance alignment in fostering trade, investment and innovation with climate change benefits across adaptation and mitigation

USCIB's experience shows that transboundary challenges, such as climate change, are most effectively solved with the fullest possible international cooperation. As one of the world's largest emitters of Greenhouse Gases (GHGs), U.S. involvement in the UNFCCC and Paris Agreement is critical. The U.S. is also the leading source of the world's innovation and investment, a leading energy exporter, and one of the most important food producers for the world, thanks to its dynamic and dedicated private sector.

The UNFCCC and its Paris Agreement are not simply environmental treaties; they are influential frameworks for economic growth, energy access and security, job creation and innovation. Tackling the global climate challenge is a multi-dimensional venture that will require an all-of-government and all-of-society approach. USCIB is ready to partner with the Administration to approach the UNFCCC and its Paris Agreement as core frameworks in the global marketplace.

U.S. leadership in the further development and implementation of those frameworks should:

- Enable and deploy U.S. innovative technology and forms of energy, including through open rules-based trade, across every sector
- Render benefits for American jobs
- Keep energy prices for U.S. companies affordable
- Create markets and cooperation opportunities for American private sector technologies and investments

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Undertake a thorough assessment of benefits and costs of policy and market measures as the basis for a U.S. NDC for 2021 - 2026. The U.S. NDC should:
 - Be informed by substantive consultation with U.S. business and other stakeholders to reflect real world conditions – as opposed to ideal world modeling scenarios – and not be confined to mitigation options alone.
 - Set out objectives and cooperative approaches not only domestically, but internationally, considering ways to advance trade, investment and innovation to support climate objectives, promoting the full range of energy and efficiency options towards reducing GHG emissions.
 - Seek synergy with existing carbon markets in the U.S. and abroad.
 - Reflect impacts and opportunities on private sector investment, employment, energy access, trade, adaptation and resilience.
 - Recognize voluntary pledges and objectives by U.S. companies, while avoiding double-counting.
- Launch a nationwide conversation, led by the President and his Cabinet, with U.S. business groups on climate change, including a consideration of international cooperation, markets, trade and investment to mobilize and advance U.S. private sector solutions and job creation
- Re-launch the Major Economies Forum on Climate Change and Energy Innovation and add an ongoing dialogue with business communities in key countries and regions in order to advance technology cooperation, capacity building, raising of standards and sharing of good practices relating to both mitigation and adaptation.
- Announce plans to host a first ever in the U.S. UNFCCC COP/MOP 2023.



USCIB CROSSCUTTING POLICY BRIEF

Digital Transformation is Key to Effective COVID Response & Building Back Better

EXECUTIVE SUMMARY:

The extent to which use of remote video-conferencing has become the norm for doing business and engaging in social interaction shortly after the outbreak of the COVID-19 pandemic puts in stark relief the importance of innovative technologies for economic and societal well-being. U.S. high technology companies – global leaders in this sector – have the potential to fuel resilience and recovery by creating new jobs and greater efficiencies across all sectors. This will mean greater employment for Americans and enhanced global business competitiveness as we recover from the pandemic.

The pandemic has highlighted the transformative power of cutting-edge, digital technologies; these technologies have:

- enabled real-time information exchanges
- facilitated the provision of critical medical services and real-time information exchanges about the virus
- channeled government financial support for business and individuals
- provided a means of continuing commercial and economic activity across many important sectors of U.S. business

The ability to connect online has served as a lifeline to literally millions of global citizens anxious for safe, social engagement and a way to continue their children's education. Even more importantly, digital technologies have the potential to shape a sustainable recovery from the pandemic, including accelerating the digitization of licensing, permitting, tax collection and procurement.

Key to realizing these benefits is a policy framework that creates an enabling environment for investment in technology innovation and deployment. Such policies may address economic, social/cultural, technical and governance issues, all of which are interlinked and cross-cutting. This holistic approach will best enable development of a secure digital infrastructural foundation to realize greater resilience and preparedness in the face of whatever natural or man-made challenge we may face going forward.

The economic, political and societal future of the United States is at risk unless policy makers in the Administration and Congress move expeditiously to embrace and implement a holistic approach in the near-term. This would constitute our best chance of a soft landing and solid return to commercial and economic activity, while at the same time conquering the pandemic through rigorous scientific means.

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

USCIB is uniquely positioned to work directly with business, the Administration and key multilateral entities, such as the Organization for Economic Cooperation and Development (OECD), the United Nations and its specialized agencies, the Internet Corporation of Assigned Names and Numbers (ICANN) and the Asia Pacific Economic Cooperation Forum (APEC), to shape economic, digital, educational, commercial, healthcare and other policies that will pave the way to economic recovery, job creation and pandemic mitigation and eradication.

Importantly, as the U.S. national member at Business at OECD (BIAC), USCIB provides its members with a seat at the table at the OECD and the ability to shape OECD policy recommendations that will impact digital transformation of the economy. Through its participation in ICANN, USCIB and its members work to ensure the safety, security, stability and resilience of the Internet domain name system, which in turn facilitates vibrant commercial activity, online education and social interaction at a time when many U.S. citizens are experiencing literal and virtual isolation.

Related to this, USCIB has leveraged its observer status in the UN Economic and Social Council (ECOSOC) and membership in the International Chamber of Commerce – which is a UN General Assembly observer – to provide key business inputs and perspectives to the UN Secretary General’s Roadmap for Digital Cooperation, which will ensure that digital technologies may effectively be harnessed to realize many of the Sustainable Development Goals (SDGs). These dual channels also have enabled business to advocate effectively in the UN International Telecommunication Union in collaboration with the U.S. Government to oppose top-down mandates on non-interoperable Internet protocols.

Through its participation at the OECD, vis-a-vis Business at OECD (BIAC), and as special business guest to the APEC Digital Economy Steering Group, USCIB has afforded its members an opportunity to shape core digital policies and principles, including on privacy, AI, connectivity, internet policy making and others, which optimize personal privacy protections and respect for human rights and maintain cross-border data flows and an open interoperable internet.

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Incentivize investment in broadband technologies and streamline regulatory policies in order to facilitate broadband deployment, focusing on underserved areas. The economic and societal benefits of digital transformation can only be realized if there is adequate broadband infrastructure and spectrum.
- Facilitate the adoption of new technologies by creating and enabling environment for innovation, which emphasizes R&D investment incentives.
- Promote the global movement of data in trade negotiations and discourage practices that would adversely affect cross-border flow of data and cloud services. Enhanced access to data will drive digital innovation among people, firms and governments.
- Rally the international community around the need for a global internet infrastructure that is interoperable, secure, resilient and open, with governance that is transparent and based on multistakeholder approaches and democratic values.
- Build trust in the online environment by working with the global community to develop risk-based, interoperable privacy protections and digital security norms so consumers, businesses and governments will feel confident that the privacy and security of their personal data are respected and their online systems secure.
- Empower people with skills needed to succeed in the digital economy and society by taking aggressive steps to address technology utilization and digital literacy gaps.
- Work closely with business and other stakeholders to shape the development of emerging technologies, such as AI, in a human-centric manner that builds trust, respects human rights and democratic values and broadens deployment so we are poised to use it effectively to address economic societal needs, as well as tackle future global crises.



USCIB CROSSCUTTING POLICY BRIEF

Advancing Human Rights & Rule of Law, Leveraging Supply Chains

EXECUTIVE SUMMARY:

UN Sustainable Development Goal 16, “Peace, Justice and Strong Institutions,” makes clear the key role that governance and the rule of law play in promoting peaceful, just and inclusive societies and in ensuring sustainable development. Despite the many government high-level pledges to promote human rights and decent work in line with International Labor Organization (ILO) standards, however, national-level implementation remains poor in far too many countries.

In the face of government governance gaps, U.S. businesses are rising to the task and expanding their individual and collective efforts to advance responsible business conduct globally. Our shared goal of the realization of human rights and labor rights for everyone everywhere will remain unacceptably elusive, however, unless we also holistically address root cause governance issues.

We urge the Administration to fully utilize all levers of U.S. influence to work with allies, bilaterally and within the multilateral system, to identify incentives for governments to pass, implement and enforce national laws that reflect international labor and human rights standards. USCIB stands ready to support the Biden Administration in this effort.

CONTEXT & BACKGROUND:

U.S. companies have worked to advance human rights and labor rights in their supply chains. Companies have developed Codes of Conduct preventing forced labor, monitored their supply chains, supported remediation plans, conducted trainings, engaged in partnerships and connected in industry forums to actively address instances of forced labor.

Supply chain-related policy has evolved as well, and over the years, international policy coherence has been achieved on authoritative global standards, such as the UN Guiding Principles on Business & Human Rights, the ILO's MNE Declaration and the OECD Guidelines for Multinational Enterprises. The recent and marked growth in the development of local, national, international and multilateral standards and laws, however, has created a complex regulatory landscape – at times inconsistent with recognized global standards, creating increased complexity for businesses trading internationally.

USCIB is a recognized global leader in international labor, human rights and sustainability policy. We play a leading role in the negotiation and adoption of international labor standards as the U.S. Employer Representative to the ILO. We are also active in human rights and labor rights policy discussions with U.S. government agencies and as the U.S. affiliate of the International Chamber of Commerce (ICC), Business at the OECD (BIAC) and the International Organization of Employers (IOE).

GOALS & OBSTACLES:

The greatest barrier to achieving human rights for all people everywhere is the persistent challenge of weak rule of law in countries where human rights abuses are often most prevalent.

States have the primary duty to develop strong national institutions, as well as promulgate and effectively enforce domestic laws covering ALL companies within its borders, regardless of whether they participate in global supply chains or not. States must also meet their existing human rights duties and obligations as required under international law and in accordance with the UN Guiding Principles for Business and Human Rights.

Meaningfully addressing this challenge – together and holistically for 100% of workers – must be our shared goal. By taking a holistic “all workers” and “whole of country” approach, we can address both the 90-95% of workers in the domestic economy AND the 5-10% of workers employed or linked to global supply chains.

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Undertake a thorough and data-based assessment of the measured impacts, benefits and costs of supply chain policies on the advancement of human rights and labor rights globally:
 - Review examples such as the Dodd Frank 1502 Conflict Minerals Rule and other supply chain directed regulations to assess their identified impacts on rights holders, national and global businesses, rule of law and the overall advancement of human rights and labor rights, employment, economic growth, trade and private sector investment
 - Engage in substantive consultation with U.S. businesses and other stakeholders to reflect real world conditions
 - Set out objectives and cooperative approaches, domestically and internationally, to advance rule of law, economic development, trade, investment and innovation to support the advancement of human rights
- Convene a national conversation with U.S. business groups on supply chain policy to:
 - Explore how to align supply chain policies with internationally-accepted business and human rights principles, including those already endorsed by the U.S. government
 - Marshal international development and trade and investment policies to support capacity-building for governments committed to advancing rule of law, human and labor rights and sustainability
 - Target support toward public administration capacity and national budgeting, given the links between deficient enforcement and corruption
- Strategically engage with allies to step up actions against governments which are demonstrated violators of human rights and reward those who work to meaningfully advance the rule of law
- Through robust engagement in key multilateral organizations, like the ILO, secure the advancement of coordinated country-level approaches that combine strategic interventions to shore up the rule of law with long-term programs and time commitments



USCIB CROSSCUTTING POLICY BRIEF

Addressing the Challenges of International Taxation for U.S. Business in the Global Marketplace

EXECUTIVE SUMMARY: THE OECD DIGITAL TAX PROJECT IS DRIVING DIGITAL TAX REFORM AROUND THE WORLD IN 2021

The immediate international tax policy priorities facing the Administration center around the current critical review phase for the OECD digital tax project which has been ongoing for several years. The absence of a global solution to revising an international tax system that has proven to be in some ways no longer fit for purpose in the digitalized economy has led to a proliferation of unilateral tax measures that disproportionately burden U.S. business. Many foreign jurisdictions and the European Union are committed to maintaining and increasing unilateral taxation solutions in the absence of global tax reform agreement.

USCIB has identified three key international tax topics for engagement with the new Administration that are in the interests of U.S. business. These topics include the U.S. position on the OECD digital tax project, the European Commission's tax agenda and its early outreach to the Administration, and the design of international tax reform in the next Congressional term.

THE OECD PROJECT - TAX CHALLENGES ARISING FROM DIGITALIZATION

Context & Background:

The G20 group of governments mandated the OECD's tax work on a Base Erosion and Profit Shifting Project (BEPS) almost a decade ago. BEPS was in large part a response to the 2008 global financial crisis and is the OECD's comprehensive tax policy project to generate new, principle-based international tax rules to reduce and in some cases eliminate opportunities for certain aggressive tax planning by multinational corporations. For the last several years, the OECD's BEPS focus has been on developing proposals to address the "Tax Challenges Arising from Digitalization," also referred to as "the digital tax project." In October, the OECD presented to the G20 very detailed, so-called "Blueprints" for two separate "pillars" of international tax reform. The formal deadline for political agreement on the Blueprints is mid-year 2021. That does not leave a lot of time for U.S. Treasury leadership in the new Administration to formulate the U.S. position and engage the OECD.

USCIB Action:

USCIB will support the Administration in formulating a U.S. position that balances the need for a multilateral tax solution and the legitimate concern that U.S. business not be disproportionately burdened by any global tax reform. In December, USCIB published its consultation letter to the OECD. The USCIB letter is the basis for its advocacy position as USCIB engages policy influencers and decision-makers in the U.S. and internationally this spring.

ENHANCING WORKING RELATIONSHIPS WITH KEY CONTACTS AT THE EUROPEAN COMMISSION

Context & Background:

The Administration change has motivated both sides of the Atlantic to re-define the relationship between leadership in the U.S. government and the European Commission under its President Ursula von der Leyen. Already in November of last year, the Commission called for an EU-U.S. summit to take place before July 2021. The summit agenda will likely include digital taxation, including the OECD tax project and related Commission developments.

USCIB Action:

USCIB will support the Administration in preparing for the Commission's tax issues in a summit agenda. The work will be a good opportunity to establish the strategic value of USCIB to the Administration in representing a very broad base of U.S. industry. If no agreement is reached on global tax reform this summer, the von der Leyen Commission has long indicated it will proceed with its own proposals to tax the digital economy in the European Union and this will directly impact U.S. business. **USCIB will inform the Administration as we represent the interests of our members with respect to these specific Commission tax initiatives.**

U.S. TAX REFORM – EARLY PROPOSALS & POTENTIAL FRICTION WITH THE OECD DIGITAL TAX PROJECT

Context & Background:

The Administration announced general tax reform proposals already during its campaign. A split U.S. Senate makes U.S. tax reform more likely in the current Congressional term. The Administration's wish list includes some proposed actions related to international tax reform that will impact USCIB members.

USCIB Action:

USCIB represents all sectors of the U.S. business community and strives to develop consensus positions within its membership on tax reform. As these consensus positions emerge, USCIB will advise the Administration on the business validity of proposed international tax reform measures at the earliest stages of the legislative process. As proposals evolve into statutory drafting, USCIB will provide the Administration guidance on the design of the rules based on established tax policy principles. The scope of this guidance will include specific reform related to any agreement the U.S. reaches on the OECD digital tax project.



USCIB CROSSCUTTING POLICY BRIEF

Promoting Vaccine Confidence, Health & Economic Recovery

EXECUTIVE SUMMARY:

COVID-19 vaccine confidence leading to vaccine uptake will directly contribute to individual, family, community and societal health and well-being, in turn keeping people working and the global economy functioning. The private sector can play a pivotal role in addressing vaccine hesitancy with its extensive reach and high level of trust imbued in employers by their employees. Business Partners to CONVINCe (COVID-19 New Vaccine **IN**formation, Communication and **EN**gagement), an initiative of The USCIB Foundation, seeks to engage employers in a unified vaccine confidence project that is global in scope to combat growing mistrust and misinformation on vaccines, and on COVID-19 in particular, that will hinder our ability to vaccinate against it.

The Biden Administration must re-energize multilateral cooperation that not only supports a rules-based open multilateral system that ensures the smooth flow of investment, goods and services but also seeks to protect health as a global public good, promote access to vaccines and reinforce the scientific community in assessing the risks and remedies to the general public.

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

Global growth, international trade, global value chains and investment activities will suffer if we cannot control the virus. Business has a vital economic stake in ending the pandemic and puts great value in the health and wellness of its employees, consumers and their communities. USCIB is in a unique position to not only represent business views in promoting vaccine confidence, but through its Foundation, can also take action to promote vaccine literacy throughout the global business community.

Success in controlling the virus and getting the economy back on track depends in large measure on the United States taking a leadership role inside the multilateral system to achieve the UN 2030 Agenda for Sustainable Development, in particular in connection with UN Sustainable Development Goal 3 on health and well-being. Controlling the pandemic is essential to achieving success. Business Partners to CONVINCENCE aims to counter the growing body of misinformation and distrust about vaccines with a fact-based communication strategy to provide business with the tools and information to build confidence among their employees.

USCIB is ready to partner with the Administration to control COVID-19 by building global confidence in vaccines in a variety of ways:

- **To engage employers and employees and encourage vaccine uptake.** We have partnered with USCIB's global network of three of the world's largest employer associations (International Chamber of Commerce, International Organization of Employers, and Business at OECD) to join with us on a unified communications campaign to build confidence in, and understanding of, vaccines.
- **To engage governments.** We have partnered with the Center for International Private Enterprise (CIPE), part of the National Endowment for Democracy, to help give businesses and trade associations the tools to advocate for their needs in campaigning for vaccine confidence.
- **To provide tools and messaging to unify the campaign and avoid confusion.** We are working with healthcare professionals to ensure messaging that is factual and based on science.
- **To build trust.** Having the messaging and outreach come from a trusted spokesperson and in this case that is the employer.

Obstacles include:

- Low levels of public understanding and knowledge about the science of vaccination.
- Extraordinary levels of disinformation about vaccination in general and the COVID-19 vaccine in particular.
- The highly politicized environment that has undermined the credibility of government advocates of vaccination.
- The extremely abbreviated vaccine development process, which has undermined public confidence in the safety of the COVID-19 vaccine.
- High levels of mistrust in elites, such as scientists, government officials and business leaders.

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Immediately rejoin the World Health Organization and the COVAX Access to COVID-19 Tools (ACT) Accelerator.
- Launch a nationwide conversation, led by the President and his Cabinet, with U.S. business groups on vaccination and the role of employers in promoting both the COVID-19 vaccine and safe work places.
- Launch a series of domestic and international public-private initiatives to promote a private sector role in building vaccine confidence, via the Centers for Disease Control, the Small Business Administration and the U.S. Agency for International Development.
- Announce plans to host a COVID-19 summit in the U.S. that includes a prominent role for business.



USCIB CROSSCUTTING POLICY BRIEF

Multilateral Trade & an Effective WTO Are Vital to Sustainable Economic Recovery

EXECUTIVE SUMMARY:

The World Trade Organization (WTO) is a cornerstone of the global rules-based trading system and has helped spread growth and development for decades. Beyond the WTO, market opening efforts, for example in the form of negotiations of agreements, are vital to ensure our economic connectivity to the global marketplace.

The Administration should continue to push for WTO reform, reviving the appellate body, concluding ongoing negotiations, looking for new opportunities and resolving long-standing issues like those of developing country status. The Administration should:

- aggressively pursue the conclusion of agreements with the UK, EU, Kenya
- take steps to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- begin Phase 2 negotiations for deals with Japan and China

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

USCIB was founded in 1945 to promote an open world trading system. Now, as the Administration is moving to re-engage multilaterally to address complex issues at the WTO and in various trade negotiations, USCIB is uniquely positioned to support these efforts through its multisectoral membership and expertise, established relationships with international organizations and its history of advocating for an effective, rules-based international trading system.

The WTO has stalled in its ability to conclude multilateral agreements. The most recent successes were the Trade Facilitation Agreement (TFA) and the expansion of the Information Technology Agreement (ITA). Current negotiations on fisheries are ongoing and are viewed as the barometer for the efficacy of the WTO. In addition, important negotiations of a digital trade agreement (JSI on E-Commerce) had a goal of conclusion by the 12th WTO Ministerial Conference (MC12) but are also still ongoing. The Appellate Body has been suspended due to the U.S. blocking the appointment of judges and encourages the Administration to work with the WTO's new Director-General, Dr. Ngozi Okonjo-Iweala, to address outstanding challenges in connection with the Appellate Body.

Regarding trade negotiations outside of the WTO, the Trump Administration concluded Phase 1 agreements with Japan and China and began negotiations with the UK, Kenya and the EU, though with the exception of the UK, none have progressed very far. The Trump Administration also pulled the U.S. out of the Trans-Pacific Partnership (TPP), which was a strategic agreement to address many issues our members are facing with China. The Trade Promotion Authority (TPA) also expires next year.

USCIB engages at the WTO in its own right, including at the annual WTO Global Forum and through the International Chamber of Commerce (ICC), leveraging a global network of ICC National Committees. Through the Digital Trade Network (DTN), USCIB also engages on the WTO e-commerce negotiations. USCIB has consistently remained a strong advocate for global implementation of both the TFA and the Information Technology Agreement (ITA). Through the above-mentioned engagements, both direct and vis-a-vis our global network, USCIB advances U.S. business interests and ensures multilateral solutions that reflect U.S. stakeholder input at the WTO.

On U.S. trade negotiations, USCIB leverages its network at the Executive Branch, on Capitol Hill and through our partner organizations - Business at OECD (BIAC) and ICC. USCIB has provided U.S. business input on negotiations of the TPP, Transatlantic Trade and Investment Partnership (TTIP) and Trade in Services Agreement (TISA), as well as more recent negotiations of the US-Mexico-Canada Agreement (USMCA), a U.S.-Japan agreement and those currently being negotiated with UK, Kenya and the EU. USCIB regularly provides USTR significant input on China's WTO Commitments and the production of the National Trade Estimate. Additionally, USCIB advocates for U.S. trade priorities at the OECD (through BIAC), Asia Pacific Economic Cooperation (APEC), UN and B20.

GOALS:

- U.S. commitment to an aggressive trade policy that will push for market-opening agreements, as well as support for the multilateral trading system, by demonstrating leadership in WTO reform efforts and negotiations.
- U.S. commitment to support U.S. business on issues like digital trade, investment, etc.

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Conclude WTO E-Commerce negotiations
- Reform the Appellate Body, and allow it to resume its operations
- Conclude U.S.-UK FTA (as well as U.S.-Kenya and U.S.-EU FTAs)
- Begin Phase 2 of Japan and China FTA
- Join the CPTPP



USCIB CROSSCUTTING POLICY BRIEF

A New International Policy Strategy to Combat Illicit Trade

EXECUTIVE SUMMARY:

Illicit trade is a serious threat that harms U.S. economic and national security. It feeds a booming multi-trillion dollar global illegal economy and harms every market, puts public health and safety at risk, and upends the rule of law and damages investment climates. It is a threat multiplier that helps fuel transnational crime, kleptocracy, corruption and bribery, e-commerce frauds and greater insecurity and instability around the world.

COVID-19 has further exacerbated criminality and IP infringement including through illicit trade that is putting the health and safety of citizens and communities at risk (e.g., fake medicines, personal protective equipment (PPE), counterfeit medical supplies and fast-moving consumer goods such as food, hand-sanitizers and disinfectants). Illicit trade and IP crime have also accelerated across online and e-commerce marketplaces. With new COVID-19 vaccines coming to market, DHS and INTERPOL have warned that criminals will be active in plying illicit activities to sell fake vaccines and medicines to Americans and consumers globally, especially across the developing world.

Increased trade in illicit goods, which has sapped governments of vital tax revenues, also inhibits funding for pandemic response and economic recovery.

The OECD Task Force on Countering Illicit Trade (TF-CIT) is leading global efforts to elevate the fight against illicit trade. OECD engagement on, for example, Free Trade Zones (FTZs), "small parcels," and maritime containers is vital to combating illicit trade.

The Biden Administration should:

- elevate the fight against illicit trade as a foreign policy priority at the OECD and other international fora.
- lead and support efforts of the OECD TF-CIT, fund core work, including a specific U.S. case study on counterfeit and pirated goods, and other important projects, further augmenting its TF-CIT engagement.
- promote efforts within the Asia Pacific Economic Cooperation (APEC) to fight illicit trade and establish a cross-fora dialogue with industry on elevating the fight against illicit trade including in FTZs, vulnerable sectors and across e-commerce platforms.
- consider developing a new “Strategy to Combat Illicit Trade: Harms to U.S. National Security, the American Economy and Citizens.”

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

By 2022, the total estimated value of counterfeit and pirated goods, including digital piracy, is projected to double and reach an astounding \$1.9-\$2.81 trillion. Illicit trade is a threat multiplier that helps fuel transnational crime, corruption and greater insecurity and instability around the world. AIT, innovation and IP enforcement become critical during COVID-19 economic recovery and recoup lost revenue.

USCIB is a leader in fighting illicit trade in key international fora such as the OECD, World Customs Organization (WCO), APEC, International Chamber of Commerce (ICC) and other communities, through public-private partnerships (PPPs) and whole-of-societies to combat this scourge across sectors.

USCIB established the Anti-Illicit Trade Committee (AITC) in 2018 to elevate the fight against illicit trade and to promote public-private partnerships globally. USCIB AITC priority areas include: Engagement of Source Markets of Fakes, Targeted Action on Illicit Trade including Counterfeit and Pirated Goods, AIT Enforcement at FTZs, Strengthening Information Sharing Across Sectors and Markets and Addressing “Small Parcels” Trade in Contraband and Illicit Commodities.

USCIB and Business at OECD (BIAC) committed to fighting illicit trade as a priority. USCIB supports BIAC work with both leadership and staff support. BIAC’s Anti-Illicit Trade Expert Group (AITEG) was recognized as a TF-CIT strategic partner in 2020. In addition, in 2020, BIAC and OECD TF-CIT established a public-private partnership to fund pilot projects.

USCIB has a unique perspective and expertise in AIT; we leverage our membership, which spans all sectors of the U.S. economy and develop thoughtful, consensus-based business submissions. We share these submissions with policy makers and regulatory authorities worldwide. We have a well-established plan of action, which has served as the backbone of the BIAC AIT road map.

We stand ready to assist the Biden Administration on these and other priority areas moving forward.

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Elevate anti-illicit trade as a foreign policy priority.
- Fund the core work of the OECD TF-CIT, including a U.S. case study on the breadth and scale of counterfeit and pirated goods in the American economy, and other important projects, to advance U.S. national interests, including the links between illicit trade and kleptocracy/corruption.
- Support implementation and development of TF-CIT guidance (e.g., FTZs, “small parcels”, etc.)
- Promote strategic diplomatic engagement on fighting illicit trade through PPPs including with the G20/B20, APEC, the Gulf Cooperation Council (GCC), and other international organizations.



USCIB CROSSCUTTING POLICY BRIEF

Biodiversity & Nature-Based Solutions

EXECUTIVE SUMMARY:

The U.S. business community strongly supports environmental stewardship and sustainable use of natural resources as set out in the UN Sustainable Development Goals (SDGs). Biodiversity is essential to planetary and human health; every essential service of nature relies on biodiversity, whether on land or marine, such as clean air and water, food security, and genetic materials, which could offer cures and treatments for health challenges and many others.

We welcome growing international attention to “nature-based” solutions to transboundary environmental challenges. Business innovation for sustainability is offering nature-based solutions as opportunities for new products and to reduce the impact of processing and production methods. Nature-based solutions have demonstrated their ability to contribute to climate adaptation and carbon sequestration and to offer new livelihoods and economic opportunities, especially in biodiversity-rich developing countries.

We encourage the Administration to prioritize biodiversity and nature-based solutions in its international policy engagement, including in the run up to the UN Convention on Biological Diversity (UN CBD) 15th Conference of the Parties later this year. We also encourage the Administration to work in partnership with U.S. business in tackling marine pollution and clamping down on trade in endangered species, looking ahead to the UN Environment Assembly in 2022 and the 50th anniversary of the UN Environment Programme (UNEP).

A key element of this integrated biodiversity and nature-based solution strategy should be to identify incentives and enabling frameworks for private sector innovation, whether in renewable energy sources, environmentally preferable products or in other areas of the bio-economy. “Nature-based solutions” should be defined clearly and inclusively to encompass a broad range of options without disqualifying GMOs, biotechnology, chemicals or other new and emerging technologies that can reduce impacts on biodiversity and advance implementation or other multilateral environmental agreements.

The bottom-line is simple: we can no longer ignore or take eco-systems and habitats for granted. We must do more to understand and protect them, to avoid dangerous tipping points and head off future health and environmental crises. In addition, as part of synergies across recovery and sustainability, we encourage the Administration to pursue nature-positive outcomes through enabling frameworks for private sector innovation and engagement, especially relating to food security, access to energy and the creation of sustainable livelihoods through enabling frameworks of international cooperation, science-based regulation and market-oriented approaches.

CONTEXT & BACKGROUND:

The UN Convention on Biological Diversity is developing a post-2020 Global Biodiversity Framework (GBF) to be adopted at COP15 later this year. The current post-2020 GBF draft envisions wide-reaching targets on access and benefit sharing, sustainable consumption and production, plastics waste management, climate change and other areas of economic activity. In that regard, we point out numerous important undefined terms, such as “negative impacts on biodiversity” and the lack of baselines for several proposed targets that will be counter-productive to actual implementation and tracking.

U.S. companies of every sector, size and nationality are integrating SDGs and other sustainability targets into their business, policy and management and partnerships; a crucial element of this multi-faceted approach is related to nature and biodiversity.

The UN Environment Assembly in 2022 and subsequent “Stockholm+50” commemoration are important inter-governmental deliberations in which nature-based solutions and business engagement will also be essential.

USCIB STAKE & VALUE ADD:

USCIB is ready to work with the Administration, Parties and other stakeholders relevant to UN CBD in the development of the post-2020 Global Biodiversity Framework. USCIB is a multi-sectoral business group with standing at the UN CBD, ongoing engagement in the United Nations Framework Convention on Climate Change (UNFCCC), UNEP and on the SDGs and a valued, ongoing working relationship with the State Department. USCIB also serves as the sole U.S. affiliate of the International Chamber of Commerce (ICC), Business at OECD (BIAC) and the International Organization of Employers (IOE).

USCIB welcomes:

- references to the private sector in the draft post-2020 Global Biodiversity Framework (GBF) reflecting the important role business plays alongside governments and other stakeholders.
- supports the definition of concrete and measurable objectives and recommends a prioritized focus on biodiversity, ecosystem protection and sustainable use and the encouragement of nature-based solutions.

However, some proposed GBF targets are outside the scope of biodiversity; they are either too broad or aim to address issues under management in other multilateral environmental agreements and deliberations. The post-2020 Global Framework targets should concentrate on biodiversity and avoid expanding into climate change, plastic waste and other issues. Moreover, some draft GBF targets seem impractical to define or track or lack benchmarks. Targets should be rigorous, science-based, and encourage innovation.

CONCRETE STEPS:

USCIB encourages the Administration to:

- Strengthen collaboration with U.S. business relating to developing U.S. positions for UN CBD and UNEA to avoid burdensome or redundant targets and advance opportunities for innovation through nature-based solutions, such as biotechnology and genetic modification.
- Launch dialogue with the private sector on promoting innovation through nature-based solutions through trade and appropriate intellectual property rights protection.
- Include a private sector observer in U.S. government delegations to relevant CBD meetings and COP15.



USCIB CROSSCUTTING POLICY BRIEF

Redefine the U.S.-China Relationship Based on Constructive Dialogue & Tough-Minded, Focused Enforcement

EXECUTIVE SUMMARY:

U.S.-China economic relations are complex and multifaceted, and American business holds a direct and important stake in this relationship and in a predictable and fair trade and investment regime. As the world's largest economy outside the U.S., China's practices and policies have a significant impact on its trading partners, the U.S. economy, and on global trade. China's continually growing presence in the global economy requires both countries to work together to address common challenges and responsibilities.

For the Biden Administration, it will be imperative to redefine the U.S.-China relationship to one based on constructive dialogue combined with tough-minded, focused enforcement. This Administration should return to a multilateral approach of working with allies to address concerns with China and to ensure our economic recovery from the pandemic when tackling global issues like climate change, human rights and illicit trade.

CONTEXT & BACKGROUND: WHERE USCIB BRINGS VALUE

China presents challenges for U.S. companies on a wide array of issues, including on protection of intellectual property, illicit trade, forced transfer of technology, sanctions compliance and lax enforcement of labor laws, among many other issues. All these challenges must be considered to appreciate the issues U.S. business must navigate: differing economic systems, the role of the government in the use of technology, climate, and broader geopolitical trends.

Recent years have seen an increasingly contentious relationship between the U.S. and China, resulting in the imposition of extensive tariffs, increased screening of Chinese investments, fierce competition in the high-tech market (China 2025) and issues surrounding forced labor and human rights abuses, notably in the Xinjiang region. While the U.S. concluded a Phase One trade deal with China addressing several issues of concern, it has yet to be fully implemented. China (and Hong Kong) are also responsible for up to 80 percent of all seizures of counterfeit and pirated goods globally.

USCIB is ready to assist the Administration in pursuing a new, multilateral approach to China. Through our unique global network as the U.S. business organization providing input into the Organization for Economic Cooperation and Development (OECD), the U.S. affiliate of the International Chamber of Commerce (ICC) and the representative of U.S. Employers (International Organization of Employers) to the International Labor Organization, USCIB has an established track-record of advancing constructive solutions in multilateral forums. As evidenced through annual submissions to USTR on China's WTO Compliance and the production of comprehensive Asia Pacific Economic Cooperation (APEC) Priority Issues and Recommendations each year, engaging on China multilaterally remains a priority for USCIB's multi-sectoral membership.

In addition to engaging with China and Chinese business in our network of global forums, USCIB can:

- Build upon significant input from U.S. businesses on the impact of tariffs
- Facilitate a like-minded international business network with participation in the APEC CEO Summit
- Leverage significant multi-sectoral expertise and experience in diverse policy areas
- Address issues at high-level fora including the B20/G20, World Trade Organization (WTO) and the UN

Domestically, USCIB will continue to contribute to U.S. decision-making processes, as well as international negotiations on various issues of interest, including on international labor and environmental standards.

GOALS & OBSTACLES:

- Redefine the U.S.-China relationship to one based on constructive dialogue (e.g., reduction of existing Section 301 tariffs on Chinese imports)
- Effectively engage in a multilateral approach with allies to address China concerns (e.g., join the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP))
- Create a level playing field for U.S. companies by increasing China's adherence to global rules and standards (including at the WTO) and pursue strengthened WTO disciplines (e.g., industrial subsidies, State-Owned Enterprises (SOEs), illicit trade on China-related issues)
- Engage multilaterally to press China to adopt and consistently enforce labor laws that adhere to ILO Fundamental Principles and Rights at Work
- Make IP crime and anti-illicit trade a higher enforcement priority
- Seek smart design of sanctions, the compliance with which are not an excessive burden on U.S. businesses, and that are multilateral in nature

USCIB ENCOURAGES THE ADMINISTRATION TO:

- Begin negotiations of a Phase 2 China Deal addressing many outstanding structural issues of concern to U.S. businesses
- Address supply chain, human rights and labor concerns in China/Xinjiang via a global approach that mobilizes other governments, partnering with industry and other important stakeholders
- Constructively engage China to fight illicit trade including counterfeit and pirated goods
- Work with business to prepare for and address China Standards 2035
- Eliminate developing country self-designation at the WTO and remove that status from China and other advanced economies
- Conclude the WTO E-Commerce agreement including provisions on data flows and forced localization (the Regional Comprehensive Economic Partnership (RCEP), which includes China, does not include such language)
- Continue to engage with the U.S. business community to understand the impacts of these issues on U.S. companies, as well as inform its diplomatic efforts to engage not only in China but also with U.S. allies on these issues of shared concern