100 Years Standing Up for American Enterprise

U.S. CHAMBER OF COMMERCE

Statement of the U.S. Chamber of Commerce

ON:	**President Obama's Trade Policy Agenda and the Future of U.S. Trade Negotiations**
TO:	**Committee on Ways and Means** **1100 Longworth House Office Building**
BY:	**U.S. Chamber of Commerce**
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The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 70 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business manufacturing, retailing, services, construction, wholesaling, and finance — is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 115 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

The U.S. Chamber of Commerce is pleased to submit this testimony for the record on the U.S. trade policy agenda and the future of U.S. trade negotiations. The U.S. Chamber is the world's largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

No priority facing our nation is more important than putting Americans back to work. Fully 8.3% of the U.S. workforce is unemployed — a figure that soars to 15% when those who have stopped looking for jobs and the millions of part-time workers who want to work full time are included. As a nation, the biggest policy challenge we face is to create the 20 million jobs needed in this decade to replace the jobs lost in the current recession and to meet the needs of America's growing workforce.

World trade will play a vital role in reaching this job-creation goal. When President Barack Obama delivered his State of the Union address in January 2010, the U.S. Chamber and the rest of the business community welcomed his call for a national goal to double U.S. exports within five years.

The rationale is clear: Outside our borders are markets that represent 80% of the world's purchasing power, 92% of its economic growth, and 95% of its consumers. The resulting opportunities are immense.

Already, more than 38 million Americans jobs depend on trade. One in three manufacturing jobs depends on exports, and one in three acres on American farms is planted for hungry consumers overseas.

Nor is trade important only to big companies. Often overlooked in the U.S. trade debate is the fact that more than 97% of the quarter million U.S. companies that export are small and medium-sized enterprises (SMEs), and they account for nearly a third of U.S. merchandise exports, according to the U.S. Department of Commerce. In fact, the number of SMEs that export has more than doubled over the past 15 years.

The bottom line is simple: If America fails to look abroad, our workers and businesses will miss out on huge opportunities. Our standard of living and our standing in the world will suffer. With so many Americans out of work, opening markets abroad to the products of American workers, farmers, and companies is a higher priority than ever before.

A Bold New Trade Agenda

In October 2011, Washington sent a message to the world: American trade policy is back in business. Congress approved trade agreements with South Korea, Colombia, and Panama with the support of large, bipartisan majorities just nine days after receiving implementing bills from the White House.

These votes show that America can still lead on trade. Given the broad consensus that exports must play a central role in creating American jobs and boosting economic growth, we must capitalize on this momentum. In the Chamber's view, it's time to think big. It's time to commit to an aggressive new international trade and investment agenda.

The U.S. Chamber of Commerce has solicited input from its membership on new ideas for the American trade and investment agenda. Our members — including small, medium-sized, and large companies in every sector of manufacturing, services, and agriculture — replied that the United States should pursue new agreements that can deliver significant commercial benefits.

In addition, our members replied that we should look for opportunities to create new trade rules to keep up with today's rapidly changing global economy. That means we need our agreements to address such challenges as regulatory barriers to trade and tap the potential of the digital economy. We need to look beyond tariffs to trade in services and the flow of investment across borders, and we should strengthen the multilateral rules-based trading system.

The 2012 Agenda: PNTR for Russia

While much of this testimony focuses on a long-term international trade and investment agenda, we begin with the Chamber's top trade priorities before the Congress this year: Approval of Permanent Normal Trade Relations (PNTR) for Russia and reauthorization of the Export-Import Bank of the United States.

On December 16, 2011, trade ministers at the 8th WTO Ministerial Conference celebrated the conclusion of 18 years of negotiations for Russia to accede to the WTO and invited Russia to become the organization's 154^{th} member. In those negotiations, Russia committed to enact a host of reforms to meet its extensive commitments to the WTO, and Moscow is expected to complete this work and formally join the WTO in July 2012.

That Russia will join the WTO is no longer in doubt. In fact, at this juncture, the United States can neither help nor hinder Russia in doing so. However, the U.S. Congress must act to ensure that the United States benefits from the reforms Russia is undertaking as it joins the WTO. Specifically, Congress must pass a short and simple bill that grants Russia Permanent Normal Trade Relations and repeals the Jackson-Vanik amendment with respect to Russia (see details below). Failure to do so will put U.S. workers, farmers, and businesses at a unique disadvantage in the growing Russian marketplace and drive new sales, exports, and job-creation opportunities to our European and Asian competitors.

The far-reaching multilateral trade agreement governing Russia's accession requires Moscow to implement a host of economic reforms that will open the Russian market to U.S. goods, services, and investment; ensure greater respect for the rule of law; and protect intellectual property. Among the commitments made by Russia as a condition of its accession to the WTO are the following:

- Russia will cut tariffs on manufactured goods from an average of 10% to 7%, with steeper cuts on priority goods, including:
    - Eliminating duties on information technology products;
    - Cutting duties on wide body aircraft from as high as 20% to 7.5%;
    - Slashing the average tariff on chemicals to 5.3% from as high as 20%; and
    - Cutting tariffs on combine harvesters from 15% to 5%.
- Russia will reduce duties on farm products to 10.8% from 13%, with notable gains for key U.S. products, including:

    - Expanding market access for beef, poultry, and other products on a duty-free or reduced-duty basis;
    - Requiring use of international standards and enforceable disciplines against trade restrictions that are not science-based; and
    - Capping farm subsidies at $9 billion in 2012 and cutting them in half by 2018.
- Russia will open its services markets to U.S. firms. Among other measures, Moscow will allow 100% U.S. ownership of companies in banking, securities, nonlife insurance, telecommunications, audiovisual, wholesale, distribution, retail, and franchises.
- Russia will for the first time be bound by the intellectual property commitments of the WTO TRIPS Agreement. Russia's accession package includes strong commitments relating to enforcement on the Internet and new copyright and patent protections.
- Russia will cut its maximum customs clearance fee by two-thirds to about $1000.
- Russia's accession will allow recourse to the WTO dispute settlement system for trade disputes.

PNTR's Benefits Go to the U.S.

One little understood aspect of this process is that Congress does not vote on Russia's accession to the WTO and has no authority to block it. Rather, Congress must approve PNTR and repeal the Jackson-Vanik amendment with respect to Russia if American companies, workers, and farmers are to benefit from Russia's new openness as it joins the WTO.

Under WTO rules, every WTO member must grant all other members unconditional Permanent Normal Trade Relations (also known as "most-favored nation" status). This obligation originated in the WTO's predecessor, the 1947 General Agreement on Tariffs and Trade, and it mandates that any advantage granted to one WTO member by another member must be accorded unconditionally to all other members. The United States will be in clear violation of this rule if it fails to repeal Jackson-Vanik with regard to Russia. Russia would thus be fully within its rights to withhold the benefits of its accession-related reforms from U.S. companies.

The Jackson-Vanik amendment to the Trade Act of 1974 was devised to press the Soviet Union to allow the emigration of Soviet Jews, prisoners of conscience, and victims of religious persecution. With respect to Russia, Jackson-Vanik has fully accomplished its objective. With the collapse of the Soviet Union two decades ago, Russia established freedom of emigration for all citizens. Since 1992, U.S. presidents of both parties have issued annual certifications of Russia's full compliance with the Jackson-Vanik amendment.

Because no other WTO member has a law similar to Jackson-Vanik, all of Russia's trading partners except the United States will immediately benefit when Russia joins the WTO in July. If Jackson-Vanik remains applicable to Russia, the United States will be in violation of WTO rules. Failure to approve PNTR and repeal Jackson-Vanik with regard to Russia would allow Moscow the right to discriminate against U.S. companies and the workers they employ and deny them the full benefits of Russia's market-opening reforms. Meanwhile, European and Asian companies will be able to build on their already significant head start in tapping the growing Russian market.

Russia is the world's 11th largest economy and the last major economy to join the WTO. The President's Export Council estimates that U.S. exports of goods and services to Russia — which, according to estimates, topped $10 billion in 2011 — could double or triple once Russia joins the WTO. Many U.S. companies are already active in Russia; to illustrate, the American Chamber of Commerce in Russia has more than 700 members. For many of these companies, Russia has proven to be a lucrative market for high quality goods and services.

Business opportunities in Russia are significant and are expected to grow substantially after Russia finalizes its accession to the WTO. The World Bank forecasts WTO accession could increase Russian GDP by 3.3% in the medium term and by 11% over a longer period as greater openness and competition in the marketplace compel the Russian economy to become more efficient. Russia's economy has been dominated by natural resource extraction and state-owned and state-influenced enterprises; joining the global rules-based trading system will foster diversification and openness and directly benefit consumers.

One often-posed question is: What happens if Russia fails to meet its commitments? In the area of intellectual property protection, for example, Russia continues to present significant challenges to U.S. innovators and creative artists. The Chamber will continue to urge the U.S. government to remain vigilant in ensuring that Russia implements its intellectual property commitments in full and makes greater progress with respect to combating online piracy.

However, addressing these challenges will be easier once Russia joins the WTO. Other countries will for the first time be able to use the WTO dispute settlement process to hold the Russian authorities accountable should they fail to fulfill their commitments as a new member of the organization. The WTO dispute settlement process affords graduated responses to the arbitrary imposition of trade barriers, including the possibility of WTO-sanctioned retaliation. At present, no such recourse exists, and U.S. authorities have few options to respond to Moscow's arbitrary trade actions. However, the United States cannot avail itself of WTO dispute settlement unless it grants Russia PNTR.

Russia's accession to the WTO has been a bipartisan American foreign policy goal for many years. In 1993, Russia applied to join the General Agreement on Tariffs and Trade (GATT), the precursor to the WTO. After years of talks, the Bush Administration took a big step forward in 2006 when it signed a bilateral agreement with Russia to address particular trade concerns. (Any WTO member may insist that an acceding nation negotiate such an agreement as a condition for accession.) The Obama Administration concluded the multilateral negotiations for Russia's accession in December 2011.

The longstanding bipartisan goal of bringing Russia into the global rules-based trading system is finally within reach. The only question now is whether U.S. companies, workers, and farmers will be able to secure the benefits of Russia's accession to the WTO. The answer rests with the Congress, which must approve PNTR and repeal Jackson-Vanik with respect to Russia.

The 2012 Agenda: Reauthorize the Ex-Im Bank

In addition, the Chamber strongly urges that Congress approve a four-year reauthorization for the Export-Import Bank of the United States (Ex-Im) that also sufficiently increases its lending cap. Ex-Im's temporary reauthorization will expire on May 31, and failure to reauthorize its operations at an internationally competitive level would seriously disadvantage U.S. companies—small and large—in foreign markets, costing thousands of U.S. jobs.

Ex-Im has a proven record of success. Far from being a burden on the taxpayer, Ex-Im turns a profit for the American taxpayer. Since 2005, Ex-Im has returned more than $3.4 billion to the Treasury above all costs and loss reserves, including $700 million in FY 2011 alone.

Nor does Ex-Im only help big business. In fact, small businesses account for 87% of Ex-Im's transactions; further, these small business transaction figures are in addition to the tens of thousands of small and medium-sized businesses that supply goods and services to large exporters. In FY 2011, Ex-Im provided more than $6 billion in financing and insurance for U.S. small businesses — an increase of nearly 90% since FY 2008. Ex-Im has set the goal of adding 5,000 new small businesses to its portfolio by 2015.

Another myth holds that Ex-Im competes unfairly with private financial institutions. In fact, Ex-Im covers critical gaps in financing for U.S. exports to developing countries where commercial-bank financing is unavailable or insufficient. Ex-Im also acted to fill the void when the availability of private-sector trade finance fell by 40% during the 2008-2009 financial crisis. In the aircraft sector, a new multilateral agreement doubled the fees for export credit financing, thereby addressing the concern that some export credit financing was below market rates.

Ex-Im lending exposes the taxpayer to very little risk. Borrowers have defaulted on less than 2% of all loans backed by Ex-Im since its inception in 1934, a default rate lower than commercial banks. Ex-Im loans and guarantees present very low risks because they are backed by the collateral of real goods for which a buyer has already been found and a price has been agreed. As a result, Ex-Im poses none of the risks to taxpayers that, for instance, government-sponsored enterprises in the housing sector ultimately did.

Failure to reauthorize Ex-Im would amount to unilateral disarmament in the face of other nations' aggressive trade finance programs. For example, the export credit agency in Canada has extended three times as much export financing as Ex-Im; Japan more than five times; and China an estimated eleven times. Failure to reauthorize Ex-Im will put billions of dollars in U.S. exports and thousands of American jobs at risk.

With economic growth and job creation the top priorities for the United States, Ex-Im has an important role to play. In FY 2011, Ex-Im supported export sales that created or sustained approximately 290,000 U.S. jobs at over 3,600 companies. With unemployment still high, the time is now to renew Ex-Im so these jobs are not put at risk.

In addition, the Chamber supports the immediate enactment of a package of U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) technical fixes approved by the CAFTA-DR trade ministers more than a year ago. Equally important is an extension to the African Growth and Opportunity Act (AGOA) third-country fabric provision, which accounts for nearly all U.S. apparel imports under the AGOA. Continued inaction on these measures — especially since there appears to be widespread support for their passage — creates uncertainty that dampens trade and deters investment. Finally, as with Russia, Congress should approve the long-pending bill extending PNTR to Moldova.

Trade Promotion Authority

Looking beyond these immediate priorities, a pro-jobs trade agenda must include more market-opening agreements such as those recently approved with South Korea, Colombia, and Panama. But first, the president needs the authority to negotiate such agreements — Trade Promotion Authority (TPA). Congress has granted every president since FDR the authority to negotiate market-opening trade agreements in consultation with Congress.

The U.S. Constitution gives the Congress authority to regulate international commerce, but it gives the president authority to negotiate with foreign governments. TPA permits the executive branch to negotiate agreements in consultation with the Congress; when an agreement is reached, Congress may approve or reject it, but not amend it.

TPA lapsed in 2007. That's unacceptable; every American president needs TPA, and every president should have it. Potential partners won't negotiate seriously if they know agreements could be picked apart by Congress.

Without TPA, the United States is relegated to the sidelines as other nations negotiate trade agreements without us — putting American workers, farmers, and companies at a competitive disadvantage. Already, more than 300 free trade agreements are in force around the globe, but the United States is a party to just 14 such agreements covering 20 countries. And that includes the most recent three, which have yet to be implemented.

The last time Congress passed TPA, in 2002, it took more than a year for a bill to reach the president's desk. We need to start the ball rolling now.

Trans-Pacific Partnership

With whom should the United States negotiate? The Trans-Pacific Partnership (TPP) is the one trade agreement under negotiation today in which the United States actually has a seat at the table.

It's a great place to start. Asia is accounts for half of the world's population and is projected to account for a large share of its economic growth for years to come. To boost U.S. exports and create jobs at home, the United States needs to improve its access to Asian markets.

The United States is behind the eight ball in Asia. The U.S. share of Asia's international trade has actually declined by 9% since 1990 as Asian nations have negotiated preferential trading agreements among themselves. The proliferation of bilateral and regional trade accords globally is particularly intense in Asia. Intra-Asian trade now accounts for half of the region's total international commerce — up from just a quarter in 1985.

As Asian production chains have expanded to meet booming regional demand, U.S. suppliers of intermediate goods are being left behind. Many U.S. manufacturers and farmers are being displaced by local competitors or firms based in the EU or Australia, which are forging their own preferential trade deals across the region.

In short, Asian nations are designing a new architecture for trade in the global economy's most dynamic region — threatening to draw "a line down the middle of the Pacific." The TPP is our chance to ensure the United States is in the game in Asia. Embracing nine countries today, many hope additional countries will accede over time.

Working closely with the Office of the U.S. Trade Representative, the Chamber is leading the business community's efforts to create new discipline relating to regulatory coherence, competition policy, and state-owned enterprises. In some of these cases, new rules are being framed with a view toward possibly extending them one day to other nations.

Transatlantic Economic and Trade Pact

As we consider new trade accords with our biggest commercial partners, Europe calls out for attention. Indeed, the European Union is by far America's largest international economic partner and, in the size of its economy, our only true economic peer.

Further, while polls suggest many Americans have an ambivalent attitude toward trade agreements, a recent Pew poll found that Americans support increased trade with Europe by a healthy 58% to 28% margin.

Last year, the Chamber supported a study to gauge the potential benefits of eliminating tariffs between the United States and the European Union. While European and U.S. tariffs are often low, the sheer volume of transatlantic commerce is so large that one-third of all tariffs on U.S. exports to the world are paid to the EU. The study found that eliminating transatlantic tariffs would boost U.S.-EU trade by more than $120 billion within five years. It would also generate GDP gains of $180 billion — a budget-neutral boost to the U.S. and EU economies.

Today, the Chamber is broadening its proposal for a Transatlantic Economic and Trade Pact that eliminates tariffs, ensures compatible regulatory regimes, and addresses investment, services, and procurement.

The global context is important as well. The EU has a free trade agreement with Mexico and is negotiating one with Canada. Does it make sense for tariffs and other trade barriers to remain in force on the third and largest leg of European-North American trade?

The Multilateral Agenda

The U.S. business community remains committed to the World Trade Organization (WTO) and the global rules-based trading system. However, the WTO's Doha Round has stalled, and it's unclear any "early harvest" or limited agreement can be reached. Negotiators can't let this impasse linger forever. The United States and other parties need to choose one of three courses: find a way to conclude the Round; find a way to agree on some limited set of deliverables, harvesting, for instance, the promising results of the trade facilitation negotiations; or abandon the negotiations once and for all.

At some point, even the third of these bad options is preferable to the ongoing impasse because it would allow WTO members to set a new agenda for the organization. The WTO is too important to leave it tied up in knots. Even if it can't resolve the 20th century issues on display in the Doha Round, it needs to play a role in the 21st century challenges to the global rules-based trading system.

What else should the WTO do? Interest is growing in the idea of an agreement among a "coalition of the willing" that would liberalize trade in services under the WTO. Such an agreement would go beyond what was achieved in the 1995 General Agreement on Trade in Services (GATS).

A focus on services is a natural for the United States. America is by far the world's largest exporter of services, which topped $600 billion dollars last year. The United States is home to large numbers of world beating services firms in such sectors as audiovisual, banking, energy services, express delivery, information technology, insurance, and telecommunications.

U.S. services companies have seen regulatory barriers multiply in ways that could not be foreseen when the GATS was negotiated nearly two decades ago. New challenges include cyber security, movement and storage of data, the free flow of commercial information on the Internet, privacy, and supply chain challenges that go beyond familiar customs clearance matters.

Negotiating a services agreement would present opportunities to address the opportunities and challenges of the digital economy and the spread of global supply chains. Doing so at the WTO would strengthen the global rules-based trading system, which some believe has been weakened by the long impasse in the Doha Round.

This approach would also present powerful incentives for countries to join in. Benefits would be extended only to those countries that sign up, and there is ample precedent for "plurilateral" agreements among a set of path-breaking countries expanding over time to cover all or a vast majority of world trade in the sectors addressed.

The United States should consider working with like-minded countries to pursue additional sectoral agreements that have broad appeal across the WTO membership in such areas as trade facilitation and environmental goods and services.

New Partners for FTAs

In addition to these regional and multilateral proposals, the business community is keen to see new free trade agreements (FTAs) negotiated bilaterally as well. As mentioned above, the U.S. Chamber believes we should pursue new trade deals that can deliver significant commercial benefits. Also, we should look for opportunities to create new trade rules to keep up with today's rapidly changing global economy.

Given their economic potential, Brazil, Egypt, India, and Indonesia are all countries named by Chamber members as interesting potential FTA partners. However, in each case a great deal of work would need to be undertaken before negotiations could begin. For instance, Brazil's leaders have not given a clear signal of interest in launching negotiations with the United States, though Brazilian officials have done so in the past.

With regard to Egypt, the Chamber-based U.S.-Egypt Business Council recently worked with the Center for Strategic and International Studies on a study assessing the potential benefits of a U.S.-Egypt FTA and presenting recommendations for steps to take that could pave the way for the launch of negotiations.

In the case of India, U.S. officials are focusing — quite appropriately — on negotiations for a bilateral investment treaty. Similarly, the recently launched U.S.-Indonesia Commercial Dialogue may afford opportunities to assess Indonesia's preparedness to negotiate a trade agreement (though the optimal path forward would be for Indonesia to join the TPP).

In addition, Chamber members have called attention to the strong growth prospects of many countries in Africa, where the United States lacks a developed network of trade agreements comparable to those in, for instance, the Americas. The United States should dedicate greater resources and attention to ensure U.S. firms can get in on the ground floor of Africa's economic development.

International Investment

In addition, it's clear that the United States must dedicate more attention to seizing the benefits of international investment. International investment is a two-way street, with benefits flowing from both foreign investment in the United States and U.S. investment abroad.

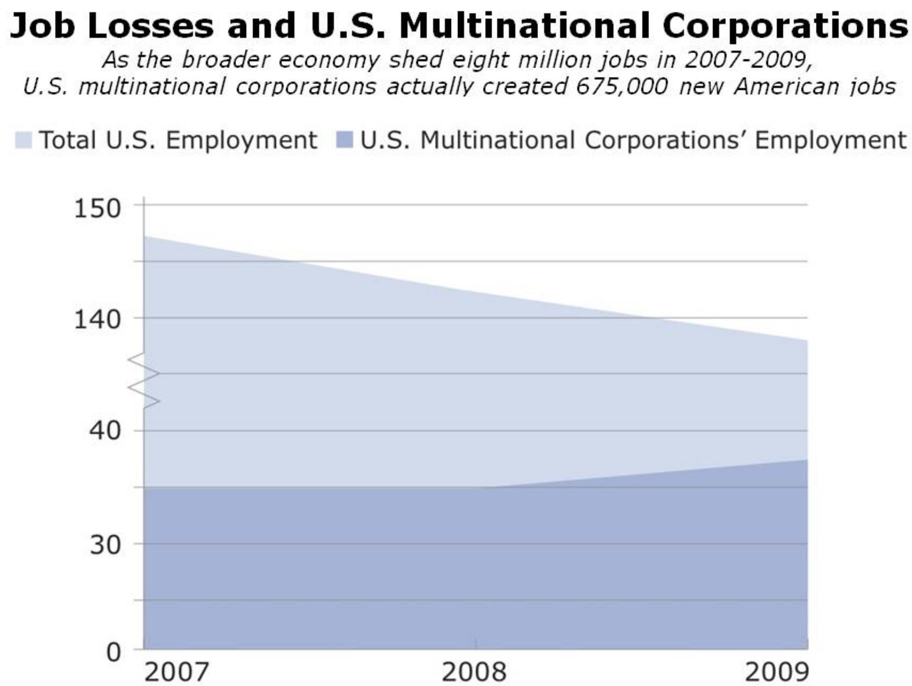
Foreign companies employ more than 5.3 million Americans and support an annual payroll of more than $400 billion, according to the U.S. Department of Commerce. These foreign-headquartered companies purchase more than $1.8 trillion in inputs from local suppliers and small businesses and account for more than one-fifth of all U.S. merchandise exports.

However, U.S. firms' investments abroad also bring real benefits to Americans, including on the jobs front. Studies have found that U.S. companies that invest abroad tend to create more jobs in the United States and pay higher wages than companies focused solely on the domestic market. Indeed, the U.S. Department of Commerce reports that U.S. multinational corporations added 675,000 U.S. jobs between 2007 and 2009 — a period in which the U.S. economy shed more than eight million jobs (see graph on next page).

U.S. multinationals have continued to concentrate their high-wage, high-skill jobs in the United States, according to the same report. The roughly $6 trillion in annual revenue U.S. multinationals earn through their foreign operations help fund their research and development activities, 84% of which continue to be performed in the United States.

Polls show many Americans believe "offshoring" is a major driver of job loss, but the facts show the movement of jobs to foreign locations accounts for a tiny fraction of layoffs. For example, the Bureau of Labor Statistics reported the separation of 184,493 workers from their jobs in the third quarter of 2011 in "mass layoffs" (i.e., layoffs of 50 or more workers). However, only 110 of these layoffs resulted from movement of work to an overseas location — or 0.0006% of the total.

Some charge that international investment is really about substituting foreign production for domestic production and thus replacing U.S. workers with low-wage foreign labor. In fact, just 8.9% of the production of foreign affiliates of U.S. multinationals is sold in the U.S. market, according to data compiled by the U.S. Department of Commerce. In other words, 92% of their production is sold abroad.



"Operations of U.S. Multinational Companies in the United States and Abroad: Preliminary Results From the 2009 Benchmark Survey," by Kevin B. Barefoot and Raymond J. Mataloni Jr., Bureau of Economic Analysis, U.S. Department of Commerce, November 2011, http://www.bea.gov/scb/pdf/2011/11%20November/1111_mnc.pdf.

To remain a leader in the global economy, the United States must lead on both sides of the investment equation. That means the United States needs to update its approach to protecting U.S. investments abroad to reflect the changing global economy. We need to guarantee better market access and treatment for U.S. investors abroad, stem the growth of restrictive and controlling performance requirements that seek to impose controls over investments, and level the playing field for U.S. investors competing with state-owned commercial actors.

We need to negotiate more investment protecting agreements. The U.S. ranks 44th in the world in the number of bilateral investment treaties (BITs) it has in place; by contrast, Germany and China have 133 and 121 such treaties, respectively. Negotiations with key countries such as China and India have stalled while organized labor and environmental groups lobby the administration to load up investment agreements with labor and environmental provisions. These efforts are ultimately aimed at undermining ongoing and future negotiations, if not the entire BIT program.

Given America's need to create jobs, rebuild our infrastructure, and remain the world's pre-eminent innovation hub, we have no choice but to actively court in-bound investment with a welcoming policy environment. American companies seeking to be global players must have the unwavering support of the U.S. government behind them in promoting and protecting their investments abroad. Going forward, the needs of international investment, outbound and inbound, demand greater policy attention from the Administration and the Congress.

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For the Chamber, the agenda is clear. The United States cannot afford to sit on the sidelines while others design a new architecture for the world economy and world trade. The United States needs a laser-like focus on access to foreign markets. In the short term, this means approving PNTR for Russia and reauthorizing the Ex-Im Bank. It also means renewing the president's Trade Promotion Authority to allow the negotiation of additional multilateral, regional, and bilateral trade agreements. The U.S. Chamber of Commerce looks forward to working with the members of the Committee to advance a bold trade agenda to generate growth, opportunity, and jobs.