

INTERNATIONAL BUSINESS

WTO Reform: Achieving Resilience for the Future

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Peter M. Robinson, President and CEO, USCIB

In an Era of Change and Disruption, How Can Institutions Remain Resilient?

As 2019 draws to a close, I'm reflecting on what it takes for an organization to celebrate its 100th birthday and still maintain a fresh outlook, open to change and ready to evolve to new challenges. What makes an organization resilient? And what can we learn from them? At USCIB, we are fortunate to be affiliated with three such institutions – the International Chamber of Commerce (ICC) and the International Labor Organization (ILO), both of which celebrated centennials this year – and one other – the International Organization of Employers (IOE), which will celebrate its 100-year milestone in 2020. This past year, we celebrated ILO through events and panels, supporting their programs at the United Nations and across the globe on issues like the future of work and inclusive workplace protections, and even joined ILO at the ringing of the closing bell at Nasdaq. We also participated in ICC events, and honored ICC Chairman Paul Polman with USCIB's annual International Leadership Award in 2018.

As this issue goes to press, USCIB is gearing up to honor the ILO – and its Director-General **Guy Ryder** — with our Leadership Award. In presenting the award to the ILO and Mr. Ryder, what should we learn from its enduring success over the past century? Surely, it's not just the ability of an institution to stand the test of time. Rather, resilient institutions try to shape society by staying true to their core purpose while delivering benefits to the public. They protect what they stand for in the face of adversity and focus on getting better, not bigger. For 100 years, the ILO has done just that by bringing together governments, employers and workers to set appropriate standards and policies that promote social justice within the world of work. That's a mission worth celebrating.

Over these same 100 years, the business community has faced its own challenges but perhaps none more disruptive than today's transformational and disruptive pace of change from technological innovations. What can business learn from resilient organizations to succeed in the next 100 years in the face of this exciting but also unpredictable environment? I would suggest many of the same things that resilient organizations embody are also relevant to business; stay true to a core purpose, focus on getting better not bigger and link business success to building a more just and prosperous society.

Next year, the United Nations will celebrate its 75th anniversary. USCIB recognizes the indispensable importance of the UN system to American business in advancing international cooperation and providing the infrastructure in which we create shared value and serve society. In addition to leveraging its role as the U.S. national committee to the IOE, ICC and Business at OECD, USCIB has, in recent years, been granted observer status to several UN agencies, including UN Environment, the UN Framework Convention on Climate Change (UNFCCC), the UN Economic and Social Council (ECOSOC) and the UN Convention on Biological Diversity (UNCBD). We convey the views of U.S. business through these channels, ultimately strengthening these institutions with business solutions and private sector expertise.

The UN has recognized that societal challenges cannot be solved without business involvement, and business responded on many fronts. Yet despite the progress through business engagement in the UN system over the past several years, distrust and resistance to business remain in some multilateral institutions.

The ILO, IOE and ICC have given business a voice and a platform in areas such as human rights and labor, trade and investment, information communication technologies (ICT), environment, climate change and other pressing issues facing business and society. As technological advancement continues to disrupt our way of life, posing both great challenges and opportunities, engagement by the private sector in capitals, in Geneva, and across UN agencies and other multilateral fora has never been more imperative.

The UN and business – working together – must harness opportunities to accelerate progress towards the UN Sustainable Development Goals (SDGs), to ensure the protection of intellectual property and to debunk protectionist policies that hurt free trade; this will help open markets for innovative American technologies. On climate change, USCIB continues to encourage the Administration to assume its leadership role at the Paris Accord table, enabling the U.S. to promote its strategic and economic interests and create opportunities for the deployment of U.S. private-sector solutions. We believe that American energy objectives can co-exist with environmental protection, private sector innovation and sustainably meet both American and global energy demands.

Even as we celebrate these anniversaries, it's unclear whether the World Trade Organization (WTO) will be able to maintain its important position as the cornerstone of the global rules-based trading system. The WTO is top of mind for me as USCIB plans for next year. With a key function of the WTO being its dispute resolution arm, the continued uncertainty of whether this core function will be able to continue once the Appellate Body ceases to operate at the end of the year continues to cause significant nervousness. At the same time, the rules-arm of the WTO is active, engaging in discussions on important reforms and plurilateral talks on key issues for business such as digital trade. While obstacles remain on a multilateral level, such as reaching agreement on extending the Moratorium on customs duties on electronic transmissions, which expires at the end of the year and for which USCIB continues to advocate, we believe in the tremendous value and the important work of the WTO. But a lack of consensus on reform or a stalemate will impact its ability to fulfill its critical mission. (Read more on USCIB's work at WTO on pages 10-11).

I truly believe the resiliency of the ILO over the past century can be attributed to its tripartite nature and its mission to bring relevant stakeholders, especially business, to the table. We achieve more when working together, and the technological changes of the future will require both resiliency and innovation skills from all of us. I believe business is a positive force for good and that the multilateral system will be strengthened by its inclusion. When business plays an active role, multilateral institutions benefit from private sector innovation, creativity and expertise, ensuring resiliency and the ability to help solve short and long-term challenges facing humankind. As we move toward true partnerships and away from exclusion to multilateral inclusion, it is society that stands to reap the benefits from a more just and prosperous world.

Peter

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Private Sector Led Active Role at FAO Meetings on Food Security

USCIB and its members participated in the bilateral meetings at the Food and Agriculture Organization (FAO) 46th Session of the Committee on World Food Security (CFS) the week of October 14 in Rome to discuss the private sector's commitment to ending hunger, malnutrition and food insecurity for all.

"It was a very successful week in Rome," said USCIB Vice President for Product Policy and Innovation **Mike Michener**, who leads USCIB's work on food and healthcare policy. "This year's meeting of the Private Sector Mechanism (PSM) was the largest and most diverse delegation to date, with 211 farmers, agri-businesses and youth representatives from for-

ty-five countries. USCIB looks forward to furthering its work on nutrition policy and working more closely with these stakeholders."

"This year's meeting of the Private Sector Mechanism (PSM) was the largest and most diverse delegation to date..."

– Mike Michener

The USCIB delegation, led by Michener, participated in several bilateral meetings with U.S. Ambassador **Kip Tom**, Dutch Ambassador **Hans Hoogeveen**, the Mission of Italy to the UN, the German delegation from Berlin, and the Secretariat of the New Economic

Partnership for Africa's Development (NEPAD). In addition to these meetings, PSM members organized five side-events on the topics of nutrition, agroecology and innovation, multi-stakeholder partnerships and youth. These side-events were attended by over 900 CFS delegates. This year PSM also participated in the World Food Day activities at FAO.

The PSM is a network that coordinates input from business into the UN Committee on World Food Security. This year's delegation included representatives from USCIB members including Bayer USA, CropLife International, International Food & Beverage Alliance (IFBA), Mars and PepsiCo. ■

Discussing International Environmental Policy With EPA

As the 74th United Nations General Assembly High Level Session got underway in late September, USCIB members met with the U.S. Environment Protection Agency (EPA) Administrator **Andrew R. Wheeler** on September 23 at The Harvard Club to discuss

"... we do need to remove barriers to some business sectors in some parts of UN system – USCIB is working on this, and we would welcome EPA's support in this area too,"

– Peter Robinson

advancing U.S. business innovation and investment towards transboundary environmental challenges.

The meeting was a unique opportunity for USCIB members to engage with the Administrator on U.S. business priorities for international environmental engagement and public private partnerships while advancing

economic prosperity and environmental stewardship at home and abroad.

"We need enabling conditions for dialogue and partnership with the private sector in the multilateral system," stressed USCIB President and CEO **Peter Robinson** during his welcoming remarks. "Therefore, we do need to remove barriers to some



L-R: USCIB VP Norine Kennedy, U.S. EPA Administrator Andrew R. Wheeler, USCIB President and CEO Peter Robinson

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USCIB Welcomes New US Ambassador to UN in Geneva

Newly-confirmed U.S. Ambassador to the United Nations offices in Geneva, **Andrew Bremberg**, visited USCIB's Washington office on November 5 to share U.S. government priorities and to hear business perspectives and concerns before heading to Geneva to assume his post. Throughout the discussion, Ambassador Bremberg emphasized that the U.S. government's current priority, as well as his top personal priority, is to reform and improve international organizations.

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USCIB members from The Walt Disney Company, Facebook, ExxonMobil, Hanesbrands, PMI and Walmart, along with USCIB policy experts, emphasized the importance of supporting inclusive multilateralism such as that found in the World Trade Organization and International Labor Organization, and changing the persistent and counter-productive discriminatory treatment that the private sector encounters in some UN agencies.

USCIB's **Norine Kennedy**, who helped lead the USCIB delegation to Geneva earlier this year, noted USCIB initiatives to help further inclusive multilateralism through USCIB's *All In Campaign*. Several participants expressed appre-



L-R: Rob Mulligan, Peter Robinson, Andrew Bremberg, Shaun Donnelly

ciation for the support Ambassador Bremberg's team at the U.S. Mission in Geneva has been providing to U.S. business.

"We see ourselves as global regulatory diplomats," added USCIB President and CEO **Peter Robinson**. "The challenges facing society today cannot be solved by governments without having business at the table. We look forward to working with Ambassador Bremberg and his staff as he begins his important work with the WHO, the World Intellectual Property Organization, the International Labor Organization, the International Telecommunications Union and other UN agencies in Geneva." ■

OECD Deputy Secretary General Meets With USCIB

USCIB members and staff had the opportunity to meet with the new Organization for Economic Cooperation and Development (OECD) Deputy Secretary-General **Ulrik Vestergaard Knudsen** on November 5 at the USCIB Washington



L-R: OECD Deputy Secretary General Ulrik Vestergaard Knudsen; Head of the OECD's Washington office Will Davis

DC office. Knudsen's diverse policy portfolio at the OECD includes science, technology and innovation, trade and agriculture, the OECD Center for Entrepreneurship, SMEs, as well as regions and cities.

The dialogue between Knudsen and USCIB members focused on areas of mutual interest such as taxation policy, including the pressing issue of digital taxation, as well as cross-border data flows, healthcare, trade and investment, digital trade, and the Going Digital Project. Knudsen also mentioned Artificial Intelligence (AI) as an increasingly important issue for the OECD and the establishment of the OECD AI Policy Observatory, which will help countries nurture and monitor the responsible development of trustworthy AI systems for the benefit of society.

USCIB members from Microsoft, IBM, General Electric, CropLife America, Walmart and others, benefited from the opportunity to hear directly from OECD

leadership regarding the OECD's priorities, as well as an update on the OECD accession process. USCIB underlined the importance of maximizing access for business and other responsible stakeholders in all OECD committee meetings.

"We are grateful that DSG Knudsen took the time to meet with U.S. business," said USCIB Senior Vice President for Policy and Government Affairs **Rob Mulligan**. "USCIB staff and members always appreciate an opportunity to provide perspectives to the OECD staff and secretariat to help inform the OECD's science-based policy recommendations."

USCIB is the U.S. national committee of Business at OECD (BIAC). ■



L-R: Norine Kennedy (USCIB), Will Davis (OECD Washington), Ambassador Ulrik Vestergaard Knudsen (OECD), Peter Robinson (USCIB), Eva Hampl (USCIB), Rob Mulligan (USCIB)

SAICM Advances a Post-2020 Chemicals Policy Framework

The third meeting of the Intersessional Process for Considering the Strategic Approach to International Chemicals Management (SAICM) and the Sound Management of Chemicals and Waste Beyond 2020 (IP3) was convened in Bangkok, Thailand, September 30 – October 4. Approximately 350 representatives of governments, industry, non-governmental organizations and intergovernmental organizations attended the proceedings. USCIB was a member of the private sector delegation representing the views of downstream users of chemicals, and included **Mike Michener**, USCIB vice president for product policy and innovation.

SAICM was adopted in 2006 as a policy framework to promote chemical safety around the world. SAICM contains an ambitious goal to achieve the sound management of chemicals throughout their life cycle so that by the year 2020 chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health. As 2020

rapidly approaches governments, industry and other stakeholders have been examining progress towards that goal and discussing SAICM's future beyond 2020. USCIB members have been longstanding participants in SAICM discussions through the USCIB International Product Policy Working Group.

"I am pleased to report that we are finally making some progress towards a zero-draft agreement for SAICM Beyond 2020,"
– **Mike Michener**

Delegates continued their discussions on possible elements for a post-2020 platform for international cooperation on the sound management of chemicals and waste for consideration by the fifth meeting of SAICM's governing body, the International Conference on Chemicals Management (ICCM 5) when it convenes in Bonn, Germany, in October 2020. According to Michener, the goal for IP3 was to develop, as far as possible, input for a "zero draft" for deliberation

at the fourth and last IP meeting scheduled in Bucharest, Romania in March 2020.

Participants were organized into four "thematic groups" designed to develop recommendations for ICCM5 in the following areas: targets, milestones and indicators; enhanced institutional arrangements; mechanisms to support implementation (including the science-policy interface and issues of concern); and financial considerations. At closing plenary, delegates heard reports from the thematic groups and from the various organizations that hosted the week's sectoral meetings on health, agriculture, labor and environment.

"I am pleased to report that we are finally making some progress towards a zero-draft agreement for SAICM Beyond 2020," noted Michener. "While IP4 in Bucharest faces a very full agenda, I am optimistic. We may still have a lot of bracketed text to deal with, but there were many valuable conversations at IP3 that began to find common ground."

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Hampf Contributes Expertise at OECD Workshop on Investment

USCIB Senior Director for Trade, Finance and Investment **Eva Hampf** contributed her expertise on a panel hosted by the OECD during its workshop on investment promotion and facilitation in Paris on October 22. The day-long event focused on investment facilitation and retention, foreign direct investment (FDI) impact on the host economy, and organized break-out sessions focusing on regions such as the European Union, Eurasia and select Latin America and Caribbean countries.

Hampf's panel also featured Ambassador of Chile to the WTO and Coordinator of the WTO Structured Discussions on Investment Facilitation for Development **Eduardo Gálvez**, Director, Services and Industry Promotion Department, Ministry of Foreign Relations of Brazil **Luiz Cesar Gasser**, Executive Director, Invest in Finland, Business Finland **Antti Aumo** and Head of Investment Policy Unit, DG Trade, European Commission **Carlo Pettinato**. Panelists addressed key roles of investment promotion agencies and policymakers in facilitating

business establishment, securing investment retention and encouraging re-investments.

As the sole business representative on the panel, Hampf discussed common challenges that companies face on the ground at the establishment phase or for expansions and re-investments in both OECD and non-OECD economies. She suggested measures that governments can make in order to facilitate the establishment of companies to encourage them to stay in the home country. Hampf also touched upon the U.S. business perspective of the WTO discussions on investment facilitation.

"Investment is vital to economic growth and development," said Hampf during the panel. "However, businesses face many challenges when investing, including regulatory issues, lack of IP protections, lack of appropriate redress, inefficiencies and costs generated by forced localization policies and duplicative testing requirements, skills disparity and inability to find suitable business partners.



USCIB Senior Director Eva Hampf speaks at OECD.

There is unfortunately no one-size fits all approach — every country needs to work out what works best within the economy. But any measures should improve the rule of law and strengthen the institutions — more carrot than stick."

The purpose of the workshop was to build on the IPA mappings to deepen OECD research in certain areas of investment promotion and facilitation, strengthen the knowledge of the OECD IPA Network and exchange on topics of common interest.

Hampf also attended a slew of investment-related meetings at the OECD, including an OECD Roundtable on Investment and Sustainable Development, a Business at OECD dinner with the OECD Investment Committee leadership, a Business at OECD Investment Committee meeting and a stakeholder consultation with the OECD Investment Committee. ■

Promoting U.S. Business Access: USCIB Submits NTE Comments

USCIB filed comments on October 25 for the annual National Trade Estimate (NTE) report to highlight significant barriers that American companies continue to face with regards to exports of goods, services and U.S. foreign direct investment. The comprehensive comments included barriers faced by U.S. companies in over twenty countries, notably in Brazil, China and India.

According to USCIB Vice President for ICT Policy **Barbara Wanner**, the comments urged the U.S. Trade Representative to encourage Brazil to promote an international, interoperable policy framework for the Internet of Things (IoT) and machine-to-machine (M2M) solutions that includes M2M permanent roaming, among other things.

"Many IoT and M2M solutions will only reach their optimal scale if they can operate around the globe," said Wanner. Monitors on airline cargo or shipping containers must be able to operate wherever their freight travels. Automakers

Brazil should promote an international, interoperable policy framework for the Internet of Things (IoT) and machine-to-machine (M2M) solutions that includes M2M permanent roaming, among other things.

"The Brazilian government should modify the regulatory framework to support providers of IoT and M2M services and devices and allow them to choose between various available options for numbering and device management (including permanent M2M roaming), rather than imposing a single, one-size alternative for all cases," added Wanner.

With regards to China, USCIB's submission focused on China's WTO compliance record in services, particularly China's indiscriminate filtering and blocking of

online services. China's expansive definition of value-added services, high capitalization requirements for basic telecommunications services, lack of an independent regulator, and restrictions that specifically apply to the non-Chinese companies for provision of value-added services remain key outstanding issues for U.S. business.

Finally, while India has accelerated broadband deployment, USCIB's comments stressed that it must also implement policies that foster an innovative environment through predictable, progressive and technology-neutral policies that are compatible with global standards.

"It is important to keep encouraging the Indian government to support further market liberalization and to remove remaining market access barriers," said Wanner. "India should be urged to continue its efforts to provide legal and regulatory

India must implement policies that foster an innovative environment through predictable, progressive and technology-neutral policies that are compatible with global standards

policy certainty both in the development of a body of clear and consistent laws and regulations, and in the transparent and equitable application and enforcement of those laws and regulations. Unfortunately, in recent years the government of India has implemented a number of policies that constitute significant market access barriers to U.S. companies, including in data localization, remote access policy and cloud computing." ■

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International Chamber of Commerce
www.iccwbo.org

ICC Releases Marketing Communications on Food, Beverage, Alcohol and Environment

ICC held its biannual Marketing and Advertising Commission meeting in Stockholm on October 9. The meeting updated members on recent promotional activities of the recently launched revised ICC Marketing Code, which raises consumer protection standards around the world and expands rules in the digital realm.

The Code, a self-regulatory framework in 42 countries, also released Frameworks on responsible marketing communications related to food and beverage, alcohol, and environment. According to USCIB Acting Director of Communications **Kira Yevtukhova**, who attended the meeting in Stockholm, ICC is now working with its members to bolster self-regulation and use of the ICC Code around the globe.

ICC has been the major rule-setter in international advertising self-regulation since 1937, when the Commission issued its first Marketing Code – one of the most successful examples of business self-regulation ever developed.

ICC Holds Meetings on Corporate Responsibility, Anti-Corruption

Following the OECD's inaugural *Trust in Business Forum* in Paris October 1-2, the International Chamber of Commerce (ICC) held its first ever joint meetings of the Commission on Corporate Responsibility and Anti-Corruption and the Commission on Energy and Environment October 3-4. Representatives from National Committees and enterprises assembled to learn about the ICC's restructuring before having separate Commission meetings.

ICC has recently released a new work-plan that involves five-knowledge hubs, each with its own set of projects for which members of national committees can volunteer. ICC, in its discussion regarding the *Revised Draft Treaty on Business and Human Rights*, stated its intention to continue to align and work with both USCIB and the International Organization of Employers (IOE).



Business at OECD
www.biac.org

Mulligan Represents Business at OECD Trade Meetings

Rob Mulligan, USCIB senior vice president for policy and government affairs, was in Paris the week of October 21 attending OECD and Business at OECD trade committee meetings. Over the last few months, USCIB members contributed to the development of Business at OECD's trade priorities paper, which was discussed at the meeting. Mulligan, as a vice-chair of the Business at OECD's trade committee, represented Business at OECD's at the OECD Trade Committee Meeting and shared the eleven-priorities for consideration as the OECD develops their program of work for 2021-2022.



USCIB Senior Vice President for Policy and Government Affairs Rob Mulligan

"I highlighted the need for continued OECD work on market distorting subsidies and other government support for state-owned enterprises, digital trade and new work on trade and the environment that would underpin the need to balance climate change with ensuring open markets for trade," – Rob Mulligan

The OECD Trade meeting also discussed ongoing G7, G20 and Asia Pacific Economic Cooperation (APEC) activities, including outcomes of the G7 and G20 Summits.

Earlier, the Business at OECD Annual General Assembly brought together Business at OECD's executive board, leadership from national organizations from thirty OECD and non-OECD countries, and associate expert groups to discuss strategic priorities for global governance and national challenges.



International Organization of Employers
www.ioe-emp.org

Annual Forum Discusses Crucial Role of Business in Human Rights

Over 300 participants from civil society, business and government gathered at The Coca-Cola Company headquarters in Atlanta for USCIB's 11th annual Engaging Business Forum in September, organized in partnership with the International Organization of Employers (IOE) and the U.S. Chamber of Commerce.

According to USCIB Vice President for Corporate Responsibility and Labor Affairs **Gabriella Rigg Herzog**, the Forum was an important opportunity to discuss the role of business in human rights, the future of work, forced labor and child labor in global supply chains and other pressing issues that dominate current policy discussions. Deputy High Commissioner for Human Rights of the UN **Kate Gilmore**, CEO and Chairman of The Coca-Cola Company **James Quincey**, Director of Global Initiatives of the Human Rights Watch **Ken J.F. Kennedy** provided input through panels and discussions.

"Business remains committed to engaging on and respecting human rights via the consensus-driven framework of the UN Guiding Principles," said Herzog. "At the same time, it is important that governments fulfill their responsibility to protect human rights through ensuring Rule of Law. Both business and government should work to fulfill their unique roles in creating a just society."

In addition to the Forum, USCIB and IOE hosted a member only pre-conference workshop that acted as an information session and update on the proposed, legally binding UN treaty on Business & Human Rights. USCIB also hosted a cocktail reception, that provided members and invited guests the opportunity to network with private-sector peers in the business and human rights field.



USCIB Urges Treasury to Work With OECD on Digital Taxation

In response to the continuing and extensive digitalization of the economy and increasing calls by countries to tax the income of technology companies that earn revenue in a market without necessarily having a traditional physical presence in that market, USCIB sent a letter on October 4 to Secretary of the Treasury **Steven T. Mnuchin**. The letter urged Secretary Mnuchin to continue to work with the OECD and other countries to achieve the best outcome for U.S. taxpayers, the U.S. Treasury and the U.S. economy.

"USCIB believes that any fundamental changes to the international tax rules should be achieved through a consensus-based process," said USCIB Vice President for Taxation Policy **Carol Doran Klein**.

According to USCIB's letter, the best place to conduct a consensus-based process is at the OECD, where over 130 countries are participating in a project to attempt to achieve consensus on possible new rules applicable to the broad digitalized economy. The U.S. Treasury has, to date, been an active participant in this project, including serving as vice-chair of the steering group.

USCIB Meets With DOJ on Global Competition Issues

Department of Justice (DOJ) Deputy Assistant Attorney General for Appellate **Mike Murray** met with USCIB's Competition Committee, chaired by **Dina Kallay** (Ericsson), on September 25 at the offices of White & Case LLP. Following an introduction by Vice Chair **Jennifer Patterson** (Arnold & Porter LLP), USCIB members participated in an active agenda that included updates on important developments on global competition issues.

Murray discussed the issue of indirect purchasers DOJ Antitrust Division brief and position in *Apple v. Pepper*. DOJ Section Chief **Jim Fredericks**, Criminal Section II presented the DOJ Antitrust Division policy to incentivize compliance programs.

Members also received an update from **Bryan Gant** (White & Case) on the status of the amicus brief USCIB filed in the 1-800 Contacts case, which urged reversal of the FTC ruling on antitrust liability for trademark settlements. Finally, **John Taladay** (Baker Botts), Chair of the *Business at OECD* Competition Committee, provided an overview of the upcoming OECD Competition Week taking place December 2-6 in Paris. The latter part of that week will be the Global Forum on Competition, covering issues such as competition provisions in regional trade agreements and merger control in dynamic markets.

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USCIB Holds High-Level Meetings During WTO Public Forum

USCIB and several members were on the ground in Geneva the week of October 7 for the World Trade Organization (WTO) Public Forum. The Forum included a plethora of panels on critical issues of concern to business including digital trade, services, the Moratorium in customs duties on electric transmissions (Moratorium), the ongoing e-commerce negotiations, and WTO reform, including issues surrounding the Appellate Body (AB).

In addition to participating in the forum, USCIB's Senior Vice President **Rob Mulligan** and Senior Director **Eva Hampl** held side-meetings with WTO leadership, such as Deputy Director-General **Alan Wolff**, Director, Council and TNC Division **Victor do Prado**, Director, Information and External Relations Division **Keith Rockwell** and Counselor, Telecom, ICT & E-commerce, Trade in Services and Investment Division **Lee Tuthill**.

Mulligan and Hampl also met with Ambassadors **Dennis Shea**, **Stephen de Boer**, and **Junichi Ihara** from the United States, Canada, and Japan, respectively. Finally, USCIB engaged with international business groups, including Confederation of British Industry (CBI), Ibec (Irish Business), the Canadian Chamber of Commerce, ICC UK, and the Confederation of Danish Industry (DI).

"Across the board, everybody is closely paying attention to the e-commerce negotiations," said Mulligan. "There is a general positive attitude regarding the negotiations, but also a recognition that the tough issues, like data flows and localization policies, are still to come. Accordingly, it is not likely that an agreement will be ready by the Ministerial Council meeting in June 2020 (MC12)."

According to Mulligan, on the issue of the Moratorium, there continue to be opponents to extending the agreement, but most WTO members support, at a minimum, extending it to MC12 once it runs out in December. To push back against the opposing forces, several studies are being developed. Among these, the

OECD has developed a paper (see page 11 for full story).

WTO reform dominated the discussion, often targeted at the U.S. pushing for meaningful updates on issues like subsidies, transparency and notifications. The U.S. position on the Appellate Body, however, continues to be controversial and there is some nervousness about what will happen to the dispute resolution arm of the WTO once the terms of two of the three remaining AB members run out at the end of 2019. On the other hand, there are some who believe pragmatism will take over and the value of the institution and the important work being done on the other reforms will not be impacted.

USCIB also co-hosted a breakfast with the International Chamber of Commerce (ICC). Speakers at the breakfast included The Right Honorable **Liz Truss** MP, secretary of state for International Trade in the UK, who spoke on the importance of the multilateral trading system; Ambassador **Sunanta Kangvalkulkij** from Thailand, who provided an update on the General Council discussions; Ambassador **David Walker** from New Zealand, who provided an update on the AB, and Ambassador **Frances Lisson** from Australia, who spoke about the JSI on e-commerce and WTO Director General **Roberto Azevedo**, who spoke to the current state of play of WTO Reform.

To wrap up the busy week in Geneva, USCIB co-hosted a business reception with several other business associations, to underline the importance of a business relationship with the WTO. ■



Hampl Provides Testimony on China's WTO Compliance

Following USCIB's annual submission to the U.S. Trade Representative regarding China's compliance with its WTO commitments, USCIB Senior Director for Trade, Investment and Financial Services **Eva Hampl** provided testimony before the interagency Trade Policy Staff Committee, which was chaired by USTR and included officials from the Departments of Commerce, Treasury, State, Agriculture and Labor.

"USCIB members continue to have serious concerns with a host of policies and practices maintained by China that undermine the ability of U.S. businesses to operate, including unfair and discriminatory governmental practices," stated Hampl. "The tariff actions under Section 301 have not, to date, resolved the underlying issues [of forced technology transfer and intellectual property theft] identified by the U.S. Accordingly, high-level bi-

lateral dialogue between the U.S. and China remains of utmost importance. We also urge both countries to utilize, in addition to the WTO, the full range of formal multilateral fora, including the Asia-Pacific Economic Cooperation (APEC) and the Organization for Economic Cooperation and Development (OECD), to work toward improved commercial relations."

The questions from the panel addressed the problematic enforcement of the anti-monopoly law, the myriad of certification and testing requirements, the current cybersecurity regime, market access (China's filtering and blocking of websites and online services), the dysfunctional approval process for new agricultural biotechnology products, and recent developments on China's labor laws.

OECD Report Weighs In On WTO Moratorium Debate

The much-anticipated Organization for Economic Cooperation and Development (OECD) report on the WTO moratorium on customs duties on electronic transmissions was de-classified on November 4.

Keeping the Moratorium is crucial for business, and USCIB has been actively engaged in pushing back against the opponents of extending the Moratorium with the ultimate goal of making it permanent.

According to USCIB Senior Vice President for Policy and Government Affairs **Rob Mulligan**, the report, *Electronic transmissions and international trade – Shedding new light on the Moratorium debate*, concludes that revenue implications of lifting the Moratorium are likely to be relatively small and would come at the expense of more significant gains in consumer welfare (estimated at 940 million USD) and export competitiveness.

The Moratorium, which has been in place since 1998 and has been continuously extended every couple of years since then, is once again due to expire at the end of 2019. Keeping the Moratorium is crucial for business, and USCIB has been actively engaged in pushing back against the opponents of extending the Moratorium with the ultimate goal of making it permanent.

The OECD report also noted that the highest estimated share of opportunity cost in terms of foregone revenue is in digitizable goods, which is low, at 1.2% of total trade. This will likely remain low even with the advent of



technologies, such as 3D printing, which are unlikely to have far-reaching implications on trade in the near term.

The report also noted that tariffs come with costs. Tariffs are associated with lower output and lower productivity and their burden falls mainly on domestic consumers, not foreign firms. Tariffs are also an unstable source of revenue. Alternatives exist in the form of non-discriminatory value-added taxes (VAT) or goods and services taxes. The WTO General Council meeting, set for December 9-11, will provide a final opportunity to extend the Moratorium. ■

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Future of Work Event Explores Opportunities for Business

As megatrends, such as technology, changing demographics and climate change, continue to disrupt the world of work at an accelerating pace, policy makers, business and international agencies have begun to explore opportunities for reskilling and retraining workers. This served as the framework for a joint, interactive workshop on the *Future of Work* on September 5 at the historic Evermay Estate in Washington DC.

Organized by the International Organization of Employers (IOE), The USCIB Foundation, the Global Apprenticeship Network (GAN), Wilton Park USA and the S&R Foundation, the workshop brought together business leaders for a candid discussion on challenges and opportunities. Throughout the discussions, USCIB members shared insights on launching company-wide initiatives.

Welcoming the group, USCIB President and CEO **Peter Robinson** said, "Today's convening is at the intersection of policy and practice. Our goal is for everyone today to become informed about Future of Work policy, but more importantly, our goal is for you to come away inspired by the practical examples shared in the room by companies wrestling with these issues and converting them into positive opportunities for business, workers and society overall."

IOE Adviser **Akustina Morni** kicked off the discussions, providing a comprehensive overview of the regulatory landscape, future of work



IOE Adviser Akustina Morni presents at FoW event

megatrends and recommendations, all of which are presented in a report created by IOE and The USCIB Foundation to inform the event. Participants then moved through a series of topics on initiating, scaling, measuring and communicating about future of work programs.

"Apprenticeships were widely highlighted and cited as a potential way to skill, reskill and upskill a workforce, especially for mid-career professionals," noted USCIB Vice President for Corporate Responsibility and Labor Affairs **Gabriella Rigg Herzog**. "What is most important is the opportunity to receive certification through an apprenticeship that will serve as recognized credential among employers. While many different definitions of apprenticeships exist worldwide, their success, particularly in EU Member States, has provided a model to build from in the U.S. As the US government begins to examine establishing a more robust apprenticeship and credentialing program, business leaders will continue to work with stakeholders to meet the demands of the future of work."

The organizers plan to hold follow-up discussions and will also produce an outcome report. ■

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USCIB Launches a Biodiversity Working Group



Responding to intergovernmental policy discussions on biodiversity, their implications for American companies, and the opportunity for private sector nature-based solutions, USCIB launched a multi-committee Working Group on Biodiversity. The Working Group is drawn from USCIB's Environment, Intellectual Property and Innovation, and Food and Agriculture committees to reflect the cross-cutting nature and impacts of proposed policies for U.S. companies doing business in global markets. A priority issue for the Working Group will be tracking business-relevant information about the United Nations Convention on Biological Diversity (UN CBD) negotiations.

Led by USCIB Vice President for Energy, Environment and Strategic International Engagement **Norine Kennedy**, the new group will also provide a platform to work with the International Chamber of Commerce (ICC) Access and Benefit Sharing (ABS) Working Group, the Global Industry Coalition and other business initiatives related to biodiversity. The Biodiversity Working Group will also facilitate USCIB representation at

UN CBD meetings (by both members and USCIB staff) and support the development of USCIB positions as needed.

"The UN CBD is developing a post-2020 biodiversity framework, which will feed into the UN Sustainable Development Goals," noted Kennedy. "We hope to use this new platform to work with our international partners, such as ICC, to ensure that governments adopt policies that encourage business innovation and include business in future discussions."

If you are a USCIB member interested in joining this group, please contact USCIB Vice President for Energy, Environment and Strategic International Engagement Norine Kennedy. ■

USCIB Welcomes New Staff

Claudia Herbert Colfer joined USCIB in September as the new Policy and Program Associate in our New York office working to support **Norine Kennedy** on policy issues related to Environment, Climate Change, Biodiversity, and Energy. Colfer will also provide support to **Kira Yevtukhova** on the USCIB Marketing and Advertising Committee.

Colfer has a Master of Arts in Global Thought from Columbia University and a Bachelor of Science in Politics and International Relations from the University of Bath. She has valuable UN-related experience as an intern with the International Chamber of Commerce (ICC) office in New York.

Colfer has also interned with the Permanent Mission of Peru to the United Nations and the American Chamber of Commerce to the European Union. Claudia speaks Spanish, German, English, Portuguese, and French. ■

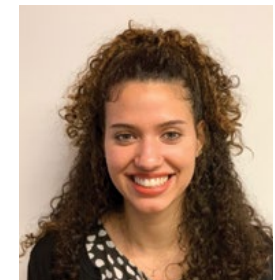


Claudia Herbert Colfer

Diana Mendez joined USCIB in November as Membership Associate in our New York office. Mendez has a Master of Arts in International Affairs from The New School and a Bachelor of Business Administration in International Management from Pace University.

Mendez also gained valuable experience in business development, most recently at the Lubin School of Business at Pace University, where she was the Development Associate coordinating prospect management and conducting research. She has

also traveled extensively during her studies, participating in the Global Peace Convention in Malaysia and in the Transregional Center for Democratic Studies in Poland. She also interned with the United Nations Summer Study Program. ■



Diana Mendez

USCIB Joins Global Business Network on Forced Labor

USCIB proudly became a new member of the International Labor Organization's (ILO) Global Business Network on Forced Labor (GBNFL). A "network of networks," GBNFL seeks to bring together businesses of all sizes and sectors, and their networks, to eradicate forced labor. USCIB Vice President for Corporate Responsibility and Labor Affairs **Gabriella Rigg Herzog** attended GBNFL's inaugural meeting on October 21 in Berlin, where participants engaged in discussions around coordination and collaboration looks like, as well as how best to engage smaller enterprises to combat forced labor.

In brainstorming about opportunities for shared action provided by this new umbrella network, par-

ticipants recognized that many of the challenges stem from local governance gaps. Participants noted the critical role that the ILO can play in assisting national and local governments to mount robust domestic labor law enforcement.

Participants expressed a hope that additional employer organizations from developing countries would be encouraged to join the GBNFL, particularly as the members of those employer networks are the local businesses and SMEs producing for either domestic or foreign markets. Participants agreed that capacity building, both of governments and SMEs, is crucial to any plan to help achieve SDG target 8.7.

In brainstorming about opportunities for shared action provided by this new umbrella network, participants recognized that many of the challenges stem from local governance gaps.

USCIB members will benefit from active involvement in GBNFL through invitations to participate in GBNFL events and webinars, as well as opportunities to help inform USCIB feedback to GBNFL as its leaders develop future workplans. ■

Discussing International Environmental Policy With EPA

continued from page 3

business sectors in some parts of UN system – USCIB is working on this, and we would welcome EPA's support in this area too," he added.

Wheeler's remarks focused on current environmental priorities for the EPA, such as the global water crisis, which he noted must be tackled through improving access to safe drinking water, strengthening infrastructure and preventing plastic debris from reaching oceans. Wheeler also emphasized global challenges and EPA involvement to tackle food waste.

"USCIB members had an opportunity to share perspectives on the kinds of partnerships that business and EPA can collaborate on to find solutions to global challenges, in addition to discussing the necessary infrastructure investments that are needed,"

said USCIB Vice President for Strategic International Engagement, Energy and Environment **Norine Kennedy**. ■

New USCIB Members

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

The Home Depot

VF Corporation

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



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calendar

december 2019

- 2 – 4 UN Open-Ended Working Group on Cybersecurity, New York, NY
- 2 – 4 OECD Working Party on Biotechnology, Nanotechnology & Converging Technologies, Paris, France
- 2 – 13 UNFCCC Conference of the Parties (COP 25), Madrid, Spain
- 3 VAT Symposium: Implications of Cross-Border Modern Commerce, Washington, DC
- 9 – 11 OECD Working Party on Innovation & Technology Policy, Paris, France
- 10 USCIB Trade and Investment Committee Meeting, Washington DC
- 16 USCIB International Leadership Award Gala, New York, NY
- 17 Annual Meeting of The USCIB Foundation, New York, NY
- 17 A Business Roundtable - Inclusive Multilateralism in 2020: A Vital Synergy, New York, NY
- 18 USCIB ICT Committee Meeting, Washington, DC
- 23 – 27 USCIB Office Closure, New York, NY and Washington, DC

january 2020

- 13 – 14 OECD Global Conference on Governance Innovation, Paris, France
- 21 Arbitration Annual Leaders Dinner, New York, NY
- 22 USCIB Arbitration Committee Annual Meeting and Committee Luncheon, New York, NY

february 2020

- 1 UN CBD Consultation for a Post-2020 Global Biodiversity Framework, Kunming, China
- 9 – 10 World Ocean Summit, Tokyo, Japan
- 10 – 11 2020 Trade Symposium, Anaheim, California
- 10 – 13 OECD Working Group on Bribery in International Business Transactions, Paris, France
- 19 – 20 Regional Forum on Sustainable Development for the UNECE Region, Geneva, Switzerland
- 21-22 OECD Forum on Due Diligence in the Garment & Footwear Sector, Paris, France
- 24 – March 20 UN Human Rights Council: 43rd Session, Geneva, Switzerland
- 25 – 26 OECD Anti-Corruption and Integrity Forum, Paris, France

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