

October 31, 2016

The Honorable Penny Pritzker Secretary of Commerce U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, DC 20230

Dear Madam Secretary:

On behalf of the U.S. International Advisory Council's Investment Competitiveness Subcommittee, we would like to express our appreciation for the opportunity to partner with you on improving foreign direct investment ("FDI") opportunities in the United States. In your tenure as Secretary, FDI has expanded considerably. President Obama's directive to grow jobs has been met with action as evidenced by the fact that over 6.4 million Americans now work for inbound companies, more than one in twenty private sector jobs.

However, on a global basis the data reveals a decline in support for FDI and a momentum towards protectionism, even in the U.S. In certain circumstances, there have been disconnects between the goal of FDI attraction and the implications of policies that will disproportionately affect FDI at the federal and state levels. We believe it is more critical than ever to find opportunities for growth in the U.S. market. Your formation of the U.S. Investment Advisory Council (the "Council") shows your dedication to enhance the U.S. as the premiere location in which to invest.

As you know, the Investment Competitiveness Subcommittee was tasked with focusing on identifying policy barriers and challenges to FDI. We have worked together to prioritize and highlight actionable areas that we believe need continued attention and resources today and as we transition between Administrations. With this in mind, below are our initial recommendations.

Recommendations:

As an authoritative source on inbound investment, the Secretary and SelectUSA should be used as a resource for the review of public policy. As such, we recommend the Secretary continue to work to remove barriers to FDI in the United States by preventing or changing regulations/regulatory actions that may disproportionally disadvantage foreign companies doing business in the United States. Furthermore, to that end, advocating for necessary statutory fixes, where appropriate, to help create a more level playing field.

- The Secretary should serve as an expert resource in this area by advocating for a regulatory climate that balances both the policy objectives with their impact on FDI.
- The Secretary and the Department should continue to engage interagency colleagues, including utilizing the Interagency Investment Working Group, on matters that relate to FDI promotion in the US such as regulations that are prejudice against FDI.
- The Council can serve as a positive resource for the Secretary in this context.

The Department can serve as an advocate for commerce in the U.S. by clarifying that U.S. subsidiaries should be regarded as part of the U.S. business community for purposes of federal government support, advisory groups, services, and promotion in the United States and around the world. Given inbound companies export nearly a fourth of U.S. exports, they should have an active role in government-business dialogue guiding our business environment.

• The executives of U.S. subsidiaries of foreign companies should be more actively included and considered for business engagement opportunities including advisory groups, roundtables, and trade missions with senior U.S. government officials.

We request that the Department include in its transition documents to the next Secretary the significance of FDI in the U.S. and encourage the next Administration to consider establishing national FDI goals within the next four years, ensuring the sustainability of SelectUSA, and increasing awareness of FDI as a national economic priority. We commend you for your dedication and express our gratitude for the opportunity to partner with you in improving opportunities for inbound investment in the U.S.

Respectfully submitted,

Jane Garvey

Chair

Catherine Smith Vice Chair

Eric Spiegel

Chair, Investment Competitiveness Subcommittee