



NATIONAL FOREIGN TRADE COUNCIL

NFTC Mission Statement: The NFTC is the pre-eminent business association dedicated solely to international trade and investment issues. Our mission is to advance global commerce by:

- 1 Advocating public policies that foster an open, rules-based international trade and investment regime;
- 2 Mobilizing and disseminating expertise and information on key issues arising in the world trading system, including digital trade, taxation, trade finance, innovation, economic sanctions and international human resources.
- 3 Influencing public debate through interaction with policy makers and opinion leaders at home and abroad and by convening government/private sector discussions of important issues.

Adopted by NFTC Board 03/15

2016 Priorities

Our central goal is to improve the international environment for trade and investment – providing for enhanced economic growth through which American prosperity and national security can best be assured.

Introduction

2015 was a year of progress on many international trade negotiations in which America is exercising a leadership role -- with final agreement on the Transpacific Partnership, and the long-awaited expansion of the Information Technology Agreement, as well as substantial progress on the Environmental Goods Agreement and on implementing the Trade Facilitation Agreement. It was also a year of significant developments in international tax policy, primarily with the publication of the recommendations from the OECD's BEPS project. For more than 100 years we have carried the flag for an open, rules-based trading system. We look forward to continuing our work in our second century, and 2016 brings significant challenges and opportunities.

We anticipate the Administration's priorities will be Congressional approval of the Transpacific Partnership (TPP) agreement, conclusion of the Transatlantic Trade and Investment (TTIP) negotiations as legacy accomplishments of the Obama presidency, and substantive progress in the Trade in Services Agreement (TISA) and Environmental Goods Agreement negotiations. We will also continue our work on the big issues that drive international trade, particularly cross border data issues, liberalizing trade in environmental goods and services, investment issues, and the link between trade, innovation, and intellectual property protection. Our growing Global Innovation Forum demonstrates our commitment to leadership on these new issues. We will also be at the forefront of the discussion on how to create new pathways to improve rules under the World Trade Organization. As always, we will defend global integration and global supply chains and their role in job creation, particularly in our interaction with the Congress, where skepticism among some representatives runs deepest. We will also continue our deep involvement in monitoring and influence implementation of the OECD's BEPS project's recommendations, which have major implications for U.S. companies doing business in multiple countries. We will continue to advocate that economic sanctions must be truly multi-lateral and a prerogative of the executive branch in its conduct of U.S. foreign policy.

The goals and priorities that follow detail our plans in these areas.

Trade and Export Finance Policy Priorities

A. Trade Priorities

Despite growing signs of economic recovery, public concern remains about employment and offshore outsourcing which in turn have contributed to the debate over trade policy and protectionism – although less robust growth in jobs and incomes is primarily due to causes unrelated to trade agreements. With this debate becoming even sharper during the Presidential campaign, it remains critical that the NFTC continue to take its historic strong stand in support of an open rules-based trading system and attempt to influence the public debate in a positive direction. To that end, we will:

- Educate Congress and the Administration on the benefits of trade and the importance of a forward-looking trade agenda.
- TPP. Lead support for earliest possible Congressional approval of the Transpacific Partnership (TPP) trade agreement, through an implementing bill which addresses provisions in the agreement to further improve trade and investment liberalization, and strengthen the system of trade and investment disciplines and procedures, including dispute settlement, for all sectors, to provide very high standards, comparable to those which business enjoys in the United States, so this agreement can serve as a strong foundation for other trade agreements going forward. Lead the united U.S. business community effort to build support in Congress for passage of TPP through membership in the TPP

Coalition Steering Committee's integrated advocacy campaign on Capitol Hill. Leverage NFTC core strengths in media engagement to advance TPP priorities, and increase efforts to collaborate with TPP Ambassadors and partner countries at NFTC press lunches. Seek out opportunities for cooperative efforts such as past collaboration speaking, moderating and promoting Bloomberg/BNA conferences on TPP policy issues.

- TTIP. Lead U.S. business efforts to reach the earliest possible conclusion of a far-reaching high-quality trade and investment agreement between the U.S. and the European Union (Transatlantic Trade and Investment Partnership, or TTIP), working in a leadership capacity with the Business Coalition for Transatlantic Trade by co-chairing committees on regulations, mobility, digital trade, intellectual property, and competition policy. Engage with the Administration, Congress and the EU to advocate for NFTC member interests in the negotiations and work to enhance the high level political will necessary to overcome entrenched bureaucratic resistance to liberalization and regulatory reform including enhanced discipline on state-owned enterprises operating in a commercial environment.
- Localization Barriers. Advance U.S. business community attention to and leadership surrounding localization barriers to trade, emphasizing the importance of nondiscriminatory incentives, legal protections, and compliance with global trade rules and norms as factors influencing the trade and investment decisions of global companies, focusing attention on forums such as APEC and the WTO to advance best practices and working with members and the U.S. government to address specific examples of localization barriers as they arise..
- Intellectual Property. Articulate the importance of intellectual property rights frameworks, including effective global protection of those rights similar to the balance in U.S. law, to promote innovation and jobs; lead business community advocacy and education to counter targeted efforts to erode IP rights, particularly in international organizations and with respect to areas such as global health and climate policy; educate policy makers on the importance of protecting trade secrets.
- Digital Economy. Lead the U.S. business community in support of emphasizing the importance of the global digital economy and improving the public policy landscape that permits businesses and stakeholders of all sizes to use technology to participate effectively in the global marketplace. This includes pursuing new commitments on cross-border data flows in international trade agreements, ensuring that regulation appropriately protects consumers and legitimate national interests while not impeding access to the global digital economy; and engaging in thought leadership to emphasize the importance of the global digital economy to manufacturers and service suppliers throughout the economy; improve understanding of how online technologies enable more inclusive access to the global marketplace by entrepreneurs and small businesses; support efforts to

- protect businesses from cyber intrusions.
- Multilateral Priorities. Articulate a new “post-Nairobi” vision and work programs for the WTO outside of the Doha Round context, emphasizing focus on the digital economy and micro and small business; maintain NFTC’s relationship with the Director-General and Geneva-based NGOs; support the successful conclusion of the Trade in Services Agreement (TISA), including by providing thought leadership in areas such as e-commerce and Mode 4 services where the NFTC plays a leading role; increase NFTC’s engagement with other Geneva-based organizations including UNCTAD, UNFCCC, WIPO and WHO, serving as an issue-spotter for items of interest to member companies as they arise; continue to encourage implementation of the WTO Trade Facilitation Agreement in capitals and marshal support for it among U.S. companies.
 - Environment Priorities. Through the NFTC’s leadership of the Coalition for Green Trade advocate for an ambitious and swift outcome to the Environmental Goods Agreement, continue to assemble and engage global business community partners and maintain NFTC’s leadership on trade-related climate change issues, including by supporting U.S. government initiatives in APEC and at the WTO to improve access and lower trade barriers to environmentally-friendly goods and services, and via the UNFCCC.
 - Regional Priorities. Maintain NFTC leadership on regional trade issues, including the Middle East and Central Asia directly through NFTC leadership of the U.S.-Middle East Free Trade Coalition and through NFTC management of the U.S.-Libya Business Association and the U.S.-Kazakhstan Business Association; ensure full and effective compliance with the newly renewed AGOA; continue participation in Alliance for Fair Trade with India.
 - China. Participate in business coalitions addressing trade and competitiveness issues with China, including currency misalignment, indigenous innovation policy, protection of intellectual property rights and trade secrets, and China’s inadequate enforcement of IPR rules, its Anti-Monopoly Law, standards competition and other measures to create national champions and force the transfer of technology.
 - Investment. Support open investment policies and negotiation of new high standard Bilateral Investment Treaties (BITs), including with China and India, oppose expropriations and efforts to weaken high standards on investor protection in FTAs, BITs and other measures. Support inclusion of investor-state dispute settlement provisions in trade agreements.
 - APEC. Leverage NFTC’s participation in the A2C2 Supply Chain Working Group, membership in the Public-Private Partnership for Trade and the Environment, the Global Innovation Forum’s partnership on SME and startup acceleration, and prior engagements at APEC on innovation and digital trade to

advance APEC agendas on trade facilitation, digital trade and trade and environment issues and to support U.S. APEC business coalition activities during the Peru's host year in 2016.

- Mobility. Advocate for changes in U.S. visa requirements and immigration policies that will facilitate international commercial travel, promote global mobility and enable the United States to attract and retain the global talent that is essential to the future of American competitiveness; improve U.S. business advocacy for provisions in international trade agreements, including TTIP and TISA, in support of this objective.
- GSP. Communicate the positive economic benefits to U.S. business resulting from the program. Support GSP Coalition efforts to provide input to USTR in fulfilling an additional requirement in the renewed program to report on the impacts of US trade preference programs on poverty alleviation in beneficiary countries.
- Trade Agreements. Monitor other countries' bilateral and regional trade agreements that threaten to place U.S. firms at a disadvantage, and propose solutions through appropriate additional international negotiations.
- Sugar. Support efforts to reform U.S. sugar policies via membership in the Sugar Reform Coalition.
- MTB. Work for enactment of a Miscellaneous Tariff Bill.

B. Export Control and Project Finance Priorities

- With the Coalition for Employment through Exports (CEE) and others defend the Export-Import Bank (Eximbank) and Overseas Private Investment Corporation (OPIC) from Congressional attacks.
- Support additional nominees to the Eximbank board so that it can maintain a quorum and conduct business.
- With CEE continue to engage with World Bank on business concerns regarding the Bank's pilot project proposal on "country systems" for procurement and follow-on P4R program.
- Ensure adequate appropriations for Eximbank, OPIC and TDA and defend appropriations in face of anticipated cuts.
- With CEE, engage with Eximbank on reform of non-competitive U.S. content and other eligibility requirements for export financing, including MARAD requirements.
- With CEE encourage Eximbank to more aggressively finance services exports.

- Encourage the Administration to finish its Export Control Reform program and end unnecessary controls, and then move on to other pressing issues such as project licenses and encryption controls reform.

NFTC International Tax Priorities

Tax reform continues to take center stage, as the tax-writing committees continue to lay the groundwork for enacting tax reform in 2017, with input from the next Administration. The Obama Administration supports the adoption of business tax reform, and that is likely where the House Ways and Means Committee and Senate Finance Committee will focus their attention.

The NFTC's Tax Committee will actively promote the principle that U.S. tax policy should not disadvantage member companies in international competition. The NFTC will constructively participate in the tax reform debate. In this regard, the U.S. should enact a competitive territorial tax system and a competitive corporate income tax rate.

Tax Treaty Working Group:

- Lead business input on the re-negotiation of bilateral income tax treaties and lead in support of the ratification process.
- Complete a revised Income Tax Agreement with the U.K. and Luxembourg.
- Advocate for the inclusion of additional dispute resolution provisions in tax treaties.
- Provide forum for NFTC member companies to input tax treaty country preferences and issues of concern in confidence by surveying members; use survey replies to respond to U.S. Treasury and IRS inquiries. Provide avenues for NFTC members to have input into the new U.S. Model Tax Treaty.
- Continue outreach to facilitate the tax treaty process and improve relationship with tax officials in Latin America and Singapore.

Non-U.S. Issues Working Group

- Identify opportunities for the NFTC to comment on non-U.S. tax issues and coordinate those comments. Pursue opportunities for the NFTC Tax Committee to interact with foreign tax officials. Advocate elimination of tax impediments to foreign direct investment.

- Continue to work toward an international tax services regime that provides geographic neutrality and promotes the growth of international services. Continue to use participation in the ongoing work of the OECD to increase NFTC visibility.
- Weigh in on the Platform for Tax Good Governance and the Common Consolidated Corporate Tax Base initiative if they appear to gain more traction in the European Union.

BEPS Working Group

- Monitor and engage, when possible, at the OECD in the follow-up work on the Base Erosion and Profit Shifting (BEPS) project, and push back against and mitigate effects of country-by-country reporting and efforts to erode the arms-length standard for transfer pricing.
- Continue to work to protect NFTC member interests in the OECD Working Party action items on Permanent Establishment status interest deductibility, and tax treaty changes, and continue to promote the use of mandatory binding arbitration as the preferred dispute resolution for double taxation.

Regulatory Working Group

- Coordinate NFTC Tax Committee input into the regulations process. Review the Treasury Priority Guidance Plan and Proposed Regulations and recommend items on which the NFTC should provide comments and coordinate comment drafting and presentation to the U.S. Treasury and the IRS.

Legislative Working Group

Work with Congress to:

- Oppose efforts to target specific industries, erode the arms-length standard; or repeal international tax provisions adopted as part of the JOBS Act in 2004.
- Oppose piecemeal international tax offsets.
- Defeat legislation that would harm the tax treaty system.
- Reform the tax code to enable companies to be more competitive.

Work with states to:

- Defeat “tax haven” legislation.

Global Innovation Forum Priorities

The Global Innovation Forum (GIF), a separately-funded project of the NFTC Foundation, connects startup, development, and university communities with corporations and public policymakers to elevate the opportunities and address key challenges of engaging in the global marketplace. Through public forums, private workshops, reports and online platforms, GIF fosters a better understanding of the broad range of stakeholders that participate in global markets and of impact that public policies can have on global innovation and trade. Its 2016 activities will focus in elevating the new faces of transpacific trade, deepening its relationships with transatlantic small businesses and incubators, working with international organizations including APEC and the WTO, and developing a work-stream on the Internet of Things.

- Improve understanding within NFTC’s membership and the broader business community of the Global Innovation Forum’s efforts to connect startup, development and university leaders with innovative corporations and public policymakers to understand the opportunities and challenges associated with engaging in the global marketplace in the digital age and the role of trade and innovation policies in their success. .
- Expand base of financial support for GIF activities.
- Enhance the Global Innovation Forum’s network of partnerships with select startup incubators, business organizations and universities in innovation clusters around the world who can identify globally-engaged stakeholders and partner on programming and thought leadership.
- Convene GIF-branded forums to elevate stories about how a diverse set of stakeholders are engaging globally to the public and policymakers, and to identify and discuss a suite of specific policy issues that impact global innovation.
- Leverage existing platforms, such as Global Entrepreneurship Week, South-by-Southwest and Web Summit to expand GIF’s reach and activities.
- Identify select highly-engaged innovators from development, business, university and startup communities who can be activated to participate in conversations about public policy issues and who can provide advice on its mission and activities.
- Use technology to collaborate: Develop an innovative, interactive online platform and social media presence to educate the public, elevate stories of global innovation, bind GIF’s network and engage new partners.
- Continue to generate and encourage thought leadership on these subjects through op-eds, reports and letters to policymakers.

- Increase membership and participation at events on spurring innovation to include more entrepreneurs, small businesses and non-U.S. stakeholders, including government officials.

USA*Engage Priorities

Economic Sanctions

Economic sanctions are wrongfully believed to be a risk-free weapon of choice to assert U.S. policies on a range of issues, from nuclear proliferation and mass murder to human rights and regime change. Thanks to the global dominance of the U.S. banking sector and the digital information revolution, secondary sanctions enforced worldwide by the U.S. Treasury have become the means to inflict financial hardship on targeted countries, Iran being the primary case in point. USA*Engage will:

- Continue to make the case that sanctions are at best tactical tools of diplomacy, that they are counterproductive unless multilateral, and that they should be left to the careful exercise of discretion by the executive branch as part of the conduct of foreign policy rather than being codified into law by Congress.
- Continue to insure that humanitarian trade, notwithstanding sanctions, is protected in U.S. law and policy, not only in food, agricultural products, medicine and medical devices, but also for information technologies that enable participation in the digital economy for the citizenry of sanctioned countries.
- Oppose state and local sanctions and divestment legislation on the grounds that the Constitution reserves the conduct of foreign policy to the President, and that a multiplicity of governmental agents seeking to conduct their own policies is against the national interest.
- Continue dialogue with relevant Congressional and executive branch staff and other Washington policy leaders to articulate and advocate alternatives to the sanctions paradigm.

Cuba

While some Members of Congress will continue to oppose repeal of the U.S. embargo, actual facts regarding sponsorship of terrorism, demographic change in the Cuban-American community, and economic realities in Cuba and the region have led to President Obama's historic policy change to normalize diplomatic relations with Cuba and promulgate regulations to loosen the embargo under executive authority in the interests of the Cuban people. USA*Engage will:

- Continue to coordinate U.S. business community advocacy for an end to the embargo in light of President Obama's historic announcement to change the relationship.

- Continue to serve as a liaison between the U.S. business community and U.S. and Cuban Governments to assess the opportunities and challenges of doing business in and with Cuba.
- Work with the U.S. Government to insure that the regulations and informational materials promulgated by the Administration to expand economic, cultural, and informational ties with the Cuban people accomplish their objectives.
- Continue to support policies that protect U.S. trademarks in Cuba, including legislation repealing Section 211 of the FY1999 Appropriations Act, a special interest provision which allows for the discriminatory treatment of certain Cuban trademarks. The provision violates U.S. international trade obligations, and erodes our reputation as a champion of strong intellectual property enforcement.
- Educate companies and the public on what changes to U.S. policy mean, and work with and in Cuba to understand the effects on the ground.

Iran

Despite opposition in the U.S. and Iran, Implementation Day, as set forth in the Joint Comprehensive Plan of Action (JCPOA), reached in 2015 between Iran and the P5plus1, has taken place.

Remaining U.S. sanctions are *de facto* unilateral. USA*Engage will:

- Oppose legislation that would enact further sanctions on Iran.
- Continue to make the case for regulatory changes that permit U.S. companies to engage in commerce with Iran on par with their global competitors.

Russia

Russia's 2014 violations of Ukrainian sovereignty continue, despite coordinated U.S. and EU sanctions that are "targeted, scalable, and reversible," and the much greater negative economic pressure of the dramatic fall in oil prices. USA*Engage will:

- Oppose legislation that would mandate further unilateral sanctions on Russian entities, as the need for flexibility, coordination of allied nations, and the division of responsibilities under the U.S. Constitution requires Presidential leadership in judging when and how to deploy sanctions.
- With relevant think tanks, investigate effective alternatives to a sole reliance on sanctions that could provide for a "Track B" conversation between Russia and her U.S. and EU interlocutors with the goal of finding a diplomatic solution to the Russia/Ukraine conflict.

Burma (Myanmar)

Despite the partial suspension of U.S. sanctions, U.S. company investment in the country remains minimal, while foreign competitors move forward, unconstrained by any sanctions. While the election outcome gives evidence of the legitimacy of the country's reform efforts, concerns regarding corruption and ethnic persecution remain. USA*Engage will:

- Work with the U.S. ASEAN Business Council and the U.S. Chamber of Commerce to advocate the removal of the remaining obstacles to U.S. investment caused by remaining sanctions-related government policies.
- Monitor any Congressional initiatives to reimpose sanctions on Burma.

Other Important Trade and Investment Issues

- Monitor activities and policies of the Committee on Foreign Investment in the United States (CFIUS) in anticipation of increased foreign direct investment in the U.S. and advocate for the interests of USA*ENGAGE and NFTC member companies as events warrant.
- Highlight U.S. business efforts to address corruption and to promote voluntary anti-bribery agreements globally.
- In the wake of the Supreme Court's *Kiobel* decision, lead business community efforts to combat abuse of the alien tort statute by documenting to policy-makers and to the courts the costs of these lawsuits to the economy and to business and to support member companies in appellate litigation. File *amicus* briefs as appropriate at the appellate level in ATS cases involving corporate liability.
- Support policies to minimize global supply chain frictions, including opposing restrictive public procurement policies domestically with respect to Buy America laws, and buy-national measures in other countries via trade negotiations. Monitor SEC regulatory activity with respect to conflict minerals pursuant to passage of the Restoring American Financial Stability Act of 2010 and comparable initiatives in the OECD; advocate against harm to affected companies' reputations and competitive standing, and make the case against the indiscriminate use of such measures in the name of "values based" foreign policy. Oppose Buy America and "Buy-Local" state legislation. Alert governors and state legislators to their obligations in those states that have acceded to the WTO Government Procurement Agreement (GPA).
- Increase awareness of, and membership in, USA*Engage.

International Human Resource Services Priorities

- Increase NFTC in-reach, visibility and outreach via articles, surveys, speaking opportunities, webinars, white papers and collaboration with international business and human resource associations (such as the Canadian Employee Relocation Council, the Council for Global Immigrations, the Centre Inter-entreprises de l'Expatriation (CINDEX), the Forum for Expatriate Management, the German-American Chamber of Commerce, the Foreign Service Institute , the Society for Human Resource Management, World at Work) and other organizations. The emphasis will be on global workforce management especially in “frontier” markets.
- Continue to work with the Canadian Employee Relocation Council and the Council for Global Immigration and NFTC member law firms on cross-border business immigration and business traveler issues.
- Promote the results of the 2015 NFTC/Cigna Expatriate Management and 2015 NFTC/Berry Appleman & Leiden Corporate Immigration and The Immigration Benchmarking Association surveys.
- Host multi-city seminar series in the Midwest and on the West Coast.
- Expand outreach to major universities such as NYU and the University of Houston.
- Assist the State Department’s Foreign Service Institute leader development and succession planning processes through a special benchmarking roundtable with NFTC member companies.

Membership, Marketing and Outreach Priorities

Our goals are to increase membership and thereby revenue and to enhance the NFTC’s reputation as a thought leader on international tax, trade, and human resources policy. We will do this through more aggressive outreach and recruitment, expanding our presence in conventional and social media, increasing our technical communications capabilities and highlighting our staff’s expertise. We will do this by:

Systematizing NFTC marketing and outreach efforts

- Develop marketing plan for each of the NFTC’s programs in conjunction with the staff and board as appropriate.
 - Designate methods and ownership for tracking prospects
 - Track engagement of current members
 - Outreach to current members
- Develop master calendar of NFTC events and staff and member appearances.

- Give monthly updates at staff meetings and board meetings on current prospects.
- Launch regular survey of members to solicit their priorities and input.
- Checklists for onboarding new members and transitions to new points of contact among current members.

Publicly spotlighting staff expertise and thought leadership.

- Continue to seek outside presentations for NFTC staff experts and members. Use attendee lists to identify new prospects and build non-member contact lists. Goal of one outside presentation per month per staff expert.
- Recycle staff speeches and other thought-leadership collateral into articles, blog posts, etc. Promote content for high visibility on website, and track viewership to identify prospects.
- Leverage event photos & content from staff experts on website and in social media. Live Tweet as many events as possible in order to spotlight expertise, build profile and draw in new member prospects.
- Aim for at least 1-3 tweets per day; one LinkedIn discussion per week. Solicit contributors from the membership.
- Create updated bio page on website for each staff expert, with hyperlinks to most recent publications, articles, video blogs, gallery of photos, etc.

Increasing technical capabilities

- Use heightened social media presence to drive web traffic and interactions with staff experts, to generate sales leads, with focus on Twitter and LinkedIn. Goals: 2400 Twitter followers (currently 2242), 220 LinkedIn Group Members (currently 202).
- Build user-friendly database of prospects for each program area for regular communication, outreach and follow up. Track all contacts with members, former members and prospects for each program area, as well as company profile.
- Overhaul website to ensure functionality.

Building on current efforts.

- Seek testimony opportunities for NFTC staff experts and members before Congress and the Executive Branch. Leverage comments and photos for max visibility.

- Collect photographs from all staff and member external appearances.
- Continue building relationships with key journalists who cover NFTC issues.

Developing Pipeline of Member Prospects and Seeking New Sources of Funding

- Work with Board members to increase membership.
- Research viability of new funding sources, including grants, trade missions, Educational Conferences