



## **AmChams Urge U.S. to Lead on New Rules on Trade and Investment**

AAP Washington, DC, Door Knock Delegation Statement – July 2023

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*An organization of 25 American Chambers of Commerce, AmChams of Asia Pacific promotes trade and investment between the Asia Pacific region and the United States of America.*

As *de facto* U.S. Ambassadors in the region, American Chambers of Commerce and their members partner with governments and domestic stakeholders to complement the U.S. government's efforts to advance the country's economy and national security.

Our first-hand knowledge and understanding of the value of U.S. engagement in the region's trade and economic architecture gives us a unique perspective to add to ongoing discussions.

Trade and investment dynamics in the region are evolving significantly and quickly in response to changing geopolitical realities and rapidly fluctuating economic opportunities. With both trade and investment core to its interests, the U.S. must work constructively with our partners and lead efforts to write and enforce new rules which ensure competition on a fair playing field with robust and rigorous labor and environmental standards.

AmChams of the Asia Pacific ("AAP") stands ready to continue partnering with the U.S. on these and other initiatives to obtain benefits for U.S. businesses, workers, farmers and their families, and the environment.

U.S. leadership in the region is essential, and we applaud proactively setting new trade and investment rules including through the Indo-Pacific Economic Framework (IPEF), the Partnership for Global Infrastructure & Investment (PGII), and bilateral trade dialogues.

AAP advances U.S. efforts to meet governments in the region on shared interests, such as addressing the climate crisis, growing healthcare needs, pandemic and disaster preparedness, maritime domain awareness, technology innovations and investment in cleaner energy sources like renewables and LNG. We want to contribute to the development of solutions relating to these complex issues.

We encourage the U.S. government to think broadly about ways to achieve key economic and security goals in the region, including using newly announced bilateral trade dialogues, including with Japan, Taiwan, India, and others, to resolve market access barriers and enhance bilateral and regional cooperation in areas of key significance to the country's economy and security.

IPEF, while not replacing membership in the CPTPP, provides an opportunity for the U.S. to restore its economic leadership in the region.

Commercially meaningful, binding provisions will increase business community support. As the U.S. does not offer market access, the incentive for a country to sign-on to the IPEF's high standards is access to increased U.S. business investment and engagement. Advances which will increase engagement are:

Supply chains: IPEF recognizes governments do not fully fathom the vast complexity of supply chains, are ill-equipped to prevent supply chain disruptions, and tries to do something about it. As IPEF's Supply Chain Pillar has only been "substantially concluded", we urge greater business participation in the next phase of this pillar.

Green economy: As "no transition without transmission," the need to shore-up existing transmission and dispatchable generation to handle growth in renewables supply is critical. To meet decarbonization goals, energy services need to allow renewables to operate on a level playing field with other energy technologies. In addition, there should be support for new decarbonization technologies as well as to build dispatchable generation, such as incentivizing Battery Energy Storage Systems (BESS) to be deployed onto the grid. To get to Net Zero, flexible options such as the use of offsets/credits with a regulatory framework consistent across markets must be established. Beyond carbon reduction, IPEF can also serve as a circular economy framework. U.S. companies, for example, can create private sector leadership on plastic sustainability by helping address the plastic pollution crisis through a market-based financing mechanism.

Regulations: Regulatory systems that have greater transparency will provide U.S. business investments greater confidence supporting market development and limiting for protectionism. Negotiators should have an ambitious regulatory agenda to support IPEF's opportunities for commercially meaningful growth.

IPR: Strong IPR protection and enforcement in Asia and around the world is of key importance to the U.S. economy, including U.S. businesses and workers and especially SMEs which increasingly do business in the digital economy. The business community believes it essential that the U.S. includes rigorous IPR protection and enforcement obligations in ongoing and future negotiations.

Monitoring & Enforcement: Mechanisms to track and manage compliance are important for U.S. businesses to have confidence working within IPEF. Working with partners on the ground, having a dispute settlement framework and other structures will drive engagement and future investments.

The U.S. private sector also stands ready to advance the objectives of the Partnership for Global Infrastructure & Investment (PGII).

As with IPEF, businesses and investors are critical partners in building high standards and sustainable infrastructure on PGII's priority areas of climate, health, digital and gender equality. The PGII should establish mechanisms of private sector collaboration, such as a PGII council and Regional Secretariat. This will ensure PGII closes infrastructure gaps, strengthens the global economy and supply chains, while promoting U.S. national security.

Leaders and members of AmChams across the region have hands-on experience. We urge the U.S. government to include AmChams and the AAP as key partners in the IPEF, PGII, bilateral and future trade agreements.

The delegation supports U.S. government efforts that further promote U.S. economic leadership and advance shared prosperity and technological innovation in the Asia-Pacific. This leadership will enable U.S. businesses to better compete, thereby benefitting American workers and their families.

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