

July 26, 2016

The Honorable Bob Corker  
Chairman  
Committee on Foreign Relations  
U.S. Senate  
Washington, DC 20510

The Honorable Ben Cardin  
Ranking Member  
Committee on Foreign Relations  
U.S. Senate  
Washington, DC 20510

Dear Chairman Corker and Ranking Member Cardin:

Our associations and organizations, representing a broad spectrum of U.S. businesses and workers, write to thank you for your leadership to introduce and pass S. 2201, the Global Gateways Trade Capacity Act, through the Senate Committee on Foreign Relations with strong bipartisan support. The business community commends your efforts to advance this important legislation that will enhance our competitiveness, bring significant development benefits to the developing world, and more effectively direct trade capacity assistance. We stand ready to work with you and your Senate and House colleagues to move the legislation forward and support the enhancements to trade capacity promoted throughout the bill.

The Global Gateways Capacity Act will help ensure that U.S. government trade capacity building efforts achieve measurable and sustainable development results by setting a strategy and empowering developing countries to tackle the key trade and investment barriers that most constrain their growth and that negatively impact our businesses. We agree with Chairman Corker that the bill will “deliver trade capacity assistance in a far more focused and strategic manner that will expand markets for American businesses by helping the developing world eliminate barriers to trade and investment.” We also agree with Ranking Member Cardin that “bureaucratic inefficiencies and border delays in developing countries are a drag on economic growth and development” and that “small and medium businesses and humanitarian organizations in developing countries will be among those who benefit the most from streamlined, transparent and efficient borders.” Your work together on this legislation demonstrates how trade and development can more effectively support each other.

Through the organizations, operations, supply chains, investments and corporate social responsibility programs of our members around the world, we have witnessed first-hand how enhancing trade capacity effectively can accelerate development as well as strengthen our businesses, supporting the millions of workers they employ in the United States. Improving trade capacity in a strategic and focused way will also create new opportunities for small and medium-sized companies (SMEs) in the United States and in developing countries to sell their goods and services in the global economy.

A trade capacity building designed and done right can produce significant economic development benefits by tackling governance, regulatory, and customs barriers in developing countries that limit their growth. These benefits are not limited to economic development,

however, and can also support efforts to improve global health, combat corruption, deliver disaster relief, reduce hunger, and support humanitarian reforms. As organizations that represent businesses actively engaged in supporting progress in these areas, we recognize the catalytic and important contributions the Global Gateways Trade Capacity Act will make across issues areas in the developing world.

To realize these development benefits fully requires a whole-of-government trade capacity building strategy designed to maximize and measure positive and sustainable economic results, which the Global Gateways Trade Capacity Act would help create. Our members' operations, supply chains, and private sector know-how can contribute to this effort – at both the strategic level and in specific developing countries – to achieve the dual goals of enhancing sustainable development and improving the competitiveness of U.S. businesses and workers. Accordingly, we welcome the legislation's focus on incorporating private sector experience and expertise into the government's trade capacity building strategy and program development to achieve better results.

Tackling trade capacity gaps in the developing world in a strategic and results-oriented manner will improve our ability to export our goods and services and compete around the world as well as help developing countries and their businesses, workers, and farmers better participate in the global economy. We strongly support the provisions in the legislation that will:

- Establish an interagency coordinating committee to coordinate, prioritize and develop a whole-of-government trade capacity building strategy. Require submission of biennial joint strategic plans to Congress that will enhance coordination among agencies, incorporate private sector consultation, assess impediments to effective trade capacity assistance, set priorities, measure performance and results, and identify resource and programmatic needs.
- Authorize a pilot program to assist developing countries implement the World Trade Organization (WTO) Trade Facilitation Agreement (TFA). The TFA is the first multilateral WTO agreement and requires just over 20 more approvals by WTO members before it enters into force, which could happen by the end of this year. The TFA has numerous provisions that will help U.S. exporters, particularly SMEs by setting a global standard that improves customs processing and border crossing for cargo. The Organization for Economic Cooperation and Development (OECD), the World Economic Forum, WTO and other organizations have emphasized over the past several years how trade facilitation reforms can generate more economic growth and reduce trade costs more effectively even than cutting tariffs. For the developing world, the OECD estimates that the TFA, if fully implemented, could reduce trade costs for low-income countries by as much as 14 percent – igniting significant new economic development opportunities for developing countries. The legislation's five-year pilot program to assist qualifying developing countries with implementation of the TFA is a particularly promising approach. We hope that passage of the Global Gateways Trade Capacity Act will also support the efforts of the Global Alliance for Trade Facilitation being developed in partnership with industry and USAID to optimize implementation of the WTO Trade Facilitation Agreement.

- Establish a private sector advisory committee that will provide businesses with operations in the developing world a more central role in assisting the U.S. government to design and implement a trade capacity building strategy, propose priorities, share solutions and to identify which developing countries would most benefit from trade capacity assistance in what areas. The legislation also directs Chiefs of Mission in developing countries to work with the private sector in country to develop country-specific trade capacity plans and priorities. We welcome the opportunity to share our operational on-the-ground experience in the developing world to strengthen the U.S. government trade capacity building strategies and programs that will better achieve sustainable and measurable results.
- Develop a better approach to building trade facilitation capabilities in our trading partners that will focus on adopting automation and promote more transparent regulatory processes that have the potential to significantly reduce corruption, which continues to plague the border clearance procedures of many developing countries and cripple economic development and undermine companies' ability to do business there and often prevent SMEs from doing business with these countries at all.

Each of these reforms taken together will improve the competitiveness of U.S. businesses and support sustainable development in countries where the U.S. government directs trade capacity building assistance. Therefore, we strongly support the Global Gateways Trade Capacity Act and look forward to supporting your efforts to move the legislation forward and into law.

Respectfully,

Airlines for America  
 American Apparel & Footwear Association  
 American Association of Exporters and Importers  
 Association for Postal Commerce  
 Business Alliance for Customs Modernization  
 Canadian /American Border Trade Alliance  
 Coalition of Service Industries  
 Computing Technology Industry Association  
 Distilled Spirits Council of the United States  
 Emergency Committee for American Trade  
 Express Association of America  
 Express Delivery and Logistics Association  
 Fashion Accessories Shippers Association  
 Footwear Distributors & Retailers of America  
 Gemini Shippers Association  
 National Association of Foreign-Trade Zones  
 National Association of Manufacturers  
 National Customs Brokers & Forwarders Association of America  
 National Foreign Trade Council  
 National Retail Federation  
 Retail Industry Leaders Association  
 Semiconductor Industry Association

The International Air Cargo Association  
Travel Goods Association  
U.S. Chamber of Commerce  
United States Council for International Business  
U.S. Fashion Industry Association

cc:

The Honorable Orrin Hatch  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
U.S. Senate  
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