April 12, 2024

Re: Request to Appear at the Public Hearing on Promoting Supply Chain Resilience, Docket Number USTR-2024-0002

Victor Ban
Special Counsel
Office of the United States Trade Representative (USTR)
600 17th Street NW
Washington, D.C. 20508
supplychain@ustr.eop.gov

Dear Mr. Ban:

On behalf of the Computer & Communications Industry Association (CCIA), an international nonprofit membership organization representing companies in the computer, internet, information technology, and telecommunications industries, we request to appear at USTR's May 2 hearing on supply chain resilience.

Jonathan McHale, Vice President of Digital Trade, plans to testify. His contact information is:

Jonathan McHale
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In its testimony, CCIA plans to provide targeted comments on the issues raised, including a summary of recent research on the effects of trade on supply chain resilience and a focus on the following additional points:

1) To incentivize corporations and trade partners to invest in resilient supply chains, there is no substitute for binding trade agreements. Such frameworks provide the policy and financial predictability that offers a sustainable advantage over any short-term pursuit of cost containment.
2) Agreements with economically advanced nations typically do not involve trade-offs with respect to labor and environmental standards. To the extent that the United States has an interest in extending resilient supply chains to lesser-developed countries, the calculus is different. Building up resiliency and enhancing labor and environmental standards requires institutional and infrastructural investment that can impose significant costs on these countries. The only realistic way to incentivize this investment on the part of such trade partners is to offer the prospect of meaningfully enhanced access to the U.S. market.
3) Incentivizing investment in U.S. manufacturing and services by both U.S and foreign firms is more an issue of good governance than trade policy. An open investment regime that minimizes nationality-based restrictions, upholds rule of law, and provides a predictable, transparent regulatory system supports such investment. Similarly, subsidies to encourage domestic investment are outside the scope of trade and investment policy, provided that they are implemented in a non-discriminatory manner. However, most manufacturers are dependent on some level of imported inputs, so trade policy, where

unpredictable or restrictive, can significantly affect the viability of specific manufacturing investments.

4) Service suppliers require access to networks and the ability to move information to their headquarters to successfully manage their investments. Therefore, robust protections of data flows, combating data localization measures, and protecting U.S. investments in satellite systems and submarine cables all directly support supply chain resilience.
5) There is little evidence that the United States faces serious danger of a "hollowing out" of any significant portion of its service sector. In fact, as a perennial source of trade surpluses, given U.S. competitiveness, services are a sector where predictable access to foreign markets is a tangible source of domestic strength and should be a fundamental pillar of U.S. trade policy. Such access, promoted by trade policy, is also an important incentive for foreign investment in the U.S. market. Resilient supply chains for services can enhance U.S. services exports, and trade agreements can help in their creation and maintenance. As with promoting investment in the United States, facilitating the export of services to foreign markets requires access to networks and the ability to transfer information, both of which depend on resilient infrastructure.

Thank you very much for your attention to this important issue and for the opportunity to appear before USTR to discuss the intersection of trade and supply chain resilience.

Best,

Amir Nasr