

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

March 12, 2013

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

The PEC recommends that the Administration move forward on Bilateral Investment Treaty (BIT) negotiations with countries beyond the 40 that have already signed BITs with the United States. BITs lay a foundation for deeper economic partnerships with other countries. With the recent completion of the new "model BIT," the timing is now ripe to redouble efforts to engage in BIT negotiations.

The PEC views India as a very attractive market for both trade and investment. India holds great promise as it considers liberalizing its market for goods and services from the United States. Although India is on track to become the world's third largest economy, it is only the thirteenth largest trading partner of the United States. Over the past two years, U.S. investors have had their expectations repeatedly raised about new opportunities in the Indian market, only for many to see those hopes unfulfilled as a result of stalled economic reforms, inadequate measures to open up foreign direct investment, and, most recently, the possibility of retroactive decisions on tax laws. A determined effort by India to address these concerns and work with the United States to conclude a BIT could help assuage growing investor uncertainty in India.

Today India has investment agreements with 80 countries including all major European nations, the ten member states of the Association of Southeast Asian Nations (ASEAN), Japan, and South Korea. Although India has, in the past, expressed an interest in having a BIT with the United States, currently it is in the midst of reviewing its "model BIT" language and has not engaged in direct negotiations for several months. This is unfortunate at a time when the economic conditions in India are uncertain and the country is experiencing slow growth and a decline in foreign direct investment. The U.S. private sector is willing to be a strong partner to India if given the opportunity.

In addition, we urge you to actively seek out other countries interested in negotiating BITs with the United States, including those in Asia, Africa, and Latin America. Exports precede and follow U.S. investment overseas—according to the Overseas Private Investment Corporation (OPIC), OPIC-supported projects in developing countries resulted in an additional \$2 billion in U.S. exports in the last two years. We support expansion of U.S. trade and investment negotiations and encourage you to include BIT negotiations as an active part of the trade agenda for the duration of your Administration.¹

Sincerely,



Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.