UNITED STATES DEPARTMENT OF COMMERCE

U.S. INVESTMENT ADVISORY COUNCIL

MEETING

MONDAY

OCTOBER 31, 2016

The Advisory Council met in the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C., at 1:31 p.m., Jane Garvey, Chair, presiding.

PRESENT

JANE GARVEY, Chairman, Meridiam North America and Board Director, LaGuardia Gateway Partners, Council Chair

CATHERINE SMITH, Commissioner, Connecticut Department of Economic and Community Development, Council Vice Chair

MARK BEARIAULT, General Counsel and Head of Legal Affairs, Kudelski Group

DAVID BURROWS, Vice President, Fuyao Glass America Inc.

JEFFREY A. FINKLE, President, International Economic Development Council

MANI IYER, President and CEO, Mahindra North America

PETER LOWY, Co-CEO, Westfield

KENNY MCDONALD, President and Chief Economic Officer, Columbus 2020
YING MCGUIRE, Vice President of Operations and Business Development, Technology Integration Group
NANCY MCLERNON, President and CEO, Organization for International Investment
IRENE SPANOS, Director of Economic Development & Community Affairs, Oakland County, Michigan
ERIC SPIEGEL, President and CEO, Siemens USA
CHARLTON WHIPPLE, Chairman, Southern Economic Development Council
JEFFREY WILSON, President and CEO, Gestamp North America and Gestamp Asia Pacific Corporation

ALSO PRESENT

PENNY PRITZKER, Secretary, U.S. Department of Commerce
BRUCE ANDREWS, Deputy Secretary, U.S. Department of Commerce
KEN HYATT, Acting Under Secretary for International Trade
JASON MILLER, Deputy Director, National Economic Council
VINAI THUMMALAPALLY, Executive Director, SelectUSA, U.S. Department of Commerce, ITA
PEGGY PHILBIN, Deputy Executive Director, COO, SelectUSA, U.S. Department of Commerce, ITA
CAROLINE STRAND, Project Manager, SelectUSA, U.S. Department of Commerce
LI ZHOU, Acting Director, Office of Advisory Committees and Industry Outreach, U.S. Department of Commerce
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1:31 p.m.

CHAIR GARVEY: Welcome, everyone and I am delighted to see everyone. It is hard to believe that the summer went as quickly as it did, way too quickly I have decided. But we are so pleased that the Secretary, who I know is in the midst of a very busy schedule, is able to stop by for a few minutes before we begin our program.

So with that, I would like to turn it over to the Secretary and thank her once again.

SECRETARY PRITZKER: Thank you very much, Jane. And first of all, thank you all again for your work here. I'm sorry I am not going to be here for your meeting. You are in very capable hands with Bruce and with Ken. But I wanted to just say a couple of things about the importance of your work and particularly, at this time, as we go through transition.

If you look back at SelectUSA, SelectUSA has had enormous impact on the U.S.
economy and on our ability to attract and retain foreign companies into the United States. We play a very important pivotal role between the state economic development officers and foreign companies. And when we arrived, well you have been a little bit beforehand but, frankly, when we got together as a team, we had what -- SelectUSA, I think it was a conference and three people.

MR. HYATT: Two or three people.

SECRETARY PRITZKER: Two and a half people, and 70 people going to a conference if I recall correctly. And today we are an organization of --

MR. HYATT: Forty.

SECRETARY PRITZKER: -- 40 people. We have a budget appropriated by the Congress and we are all -- how many of our top markets -- 15 of our top 30 some-odd, 32 markets. So, we have come a long way but fresh eyes, fresh reflections, your own experiences will help us do a better job. And so that is very important.
The second part of it is not just a fresh perspective but also, frankly, helping the next team, political team as they come in working with our career professionals to make sure they understand how important this is. And this is not just a passing fancy of a previous administration but it is a basic service the United States needs to do to be competitive. And that is a role that you can play that is less self-aggrandizing than us. We will make the case but we need help with that.

And I would just say I know, finally, there is a lot of work that has gone into the recommendations that you are going to talk about today. And I just want say thank you for that work. It is extremely important. You know since Ken is the primary, the front line and Vinai of executing against those recommendations, you know we take them very seriously as an organization. This is not about paperwork that we have put on the shelf. We are looking for how do we function and do a better
job and partner better as well.

So, I just want to say thank you and I really appreciate your letting me crash your meeting.

CHAIR GARVEY: I thought you were going to say crash our party.

SECRETARY PRITZKER: Well, that's later.

(Laughter.)

CHAIR GARVEY: Thank you.

SECRETARY PRITZKER: You guys are in good hands but thank you all very much.

CHAIR GARVEY: Thank you.

DEPUTY SECRETARY ANDREWS: Well first of all, thank you all for being here. It is great to see everyone again and to have you all here. And Jane and Catherine, I want to thank both of you for your leadership. This is one of the things I have learned about the Advisory Councils, and we have a number here in the Department, is their success is often based on two things. One is strong
leaders. So, thank you for your work here. And then also for the time and investment of all the members. I know how hard and how much time all of you put in to the recommendations that we are bringing forward today. So, I just want to express our real gratitude and appreciation for that.

We take this council very seriously. I think the recommendations that you make are super important to the way that we do our jobs. I think it is particularly important at this point in time, which is two things. One is demonstrating to the next administration how important FDI is.

I mean to me, it seems pretty self-evident that whoever the next administration is, they will come in, they will recognize how important that when we live in a globally competitive world, where it used to be that in the United States it was easy, we didn't have to do any work to attract investment. Those days, unfortunately are long gone and it is real work. And we are in an intense global competition of
making the United States as attractive as we possibly can as a destination for investment is so important.

So, the work that we do here I think will really help set the tone for the next administration. It will also help build a bridge to the next administration because I think they come in -- you know we will, undoubtedly get a good start with many of these recommendations. Hopefully, we will get some of them done. Some of them are shorter time frames, some are longer. But what I think is most important is that we start a process that will then be easily picked up on by the next administration and the ability to just continue seamlessly in the great work that Vinai and the entire SelectUSA team have done to this point, while really continuing to build on it across the administration.

I think represented around this table one of the great things is a very broad view of the U.S. economy. And I think what is important here
is you all represent more than just a group of companies or states or associations but really a perspective that you need to bring to the table for the entire U.S. economy or other companies who are not here because I think that is what makes these recommendations so meaningful is they are not just because of your companies, they really reflect a much broader view on the economy.

I feel like we have done a great deal and it is amazing Penny made reference to where we started with SelectUSA several years ago. And I think of all the progress and not just the summits which were, obviously, fabulous and successful but also the road shows, the intense engagement around the world. I think about how far we have come. You know we just had the Brazil road show -- and just how far we have come in terms of the engagement in creating not just SelectUSA as a brand around the world but really putting on the most favorable face for investment in the United States.

And I think the benefits have been
huge tangibly. The amount of investment that SelectUSA has helped to facilitate is remarkable. But really, this is a start and I think we have only scratched the surface on what the potential is. And I think that is why these recommendations are so important. And I really do believe this that we, and I see this as I travel around the world on behalf of the Department, is we are in such an intense global competition for capital and for investment.

And obviously, we believe that we have had a great story to tell you in the United States but it is telling a story and it is making sure that we have the best investment climate we possibly can.

So, with that said, I just want to thank both of you for your leadership and look forward to hearing the recommendations today. I thank all of you.

CHAIR GARVEY: Thank you very much, Mr. Secretary. I have to say Catherine and I were
talking at lunch and the kind of leadership that
you have provided has been extraordinary. And I
think your willingness to sit and to meet with many
of us and talk about some of the issues, over
difficult issues sometimes, we appreciated it very
much. So, thank you for that, and thank you for
being here today.

VICE CHAIR SMITH: Yes.

CHAIR GARVEY: Just a couple of quick
comments.

We are going to have an opportunity to
hear from the subcommittees to talk about the
recommendations, to ask questions, hopefully to
vote on the recommendations if that is the
inclination of the entire advisory group.

I would like to make one point, though.
While we vote on the recommendations today, there
is still going to be ample opportunity to talk with
Congress about how some of these recommendations
are implemented. And as the Deputy Secretary
mentioned, some of them were short-term and can
probably would be implemented more quickly. Others are going to take more discussion and I think a little bit more time. But we want to encourage that kind of conversation to continue with Commerce.

And I really like the way both the Secretary and the Deputy Secretary spoke about these. This is a bridge and it really is a foundation for the new team coming in. I expect the new team is going to probably, whoever, they are, it is going to hit the ground running and I think that this is the kind of body work that will be exceedingly helpful to them. So, I am very grateful to all of you. I know we have worked very hard.

And unlike a number of other committees that I have been involved in, some of us haven't had the pleasure of working together in the past. So we have really, I think, had to work doubly hard and really you all are to be commended for that. Congratulations.
Catherine, did you want to say anything?

VICE CHAIR SMITH: Let me just make a couple of quick comments. And again, I think I am going to start by thanking the subcommittees because that is where the real action happened between June and now and it is obvious that people, everyone put a lot of time and energy and thought into it. So, it was a pleasure to read these ideas and see them evolve. And so we want to thank them.

I also want to thank Caroline for spending countless hours on making sure that we all understood some of the parameters that we were working in. I mean these issues, sometimes something that looks like just an easy idea turns out to have many aspects that may not be obvious to those of us who are on the outside.

So, the perspective and the context was extremely important. And so the whole team here did a fantastic job. So, thank you to your leadership and to the staff for doing that.
And I would say one more thing and that is simply that Jane and I have also talked about how we know we continue and we do see we have a lot of I think very thoughtful and good recommendations that are intended to be, per the request of the Secretary, short-term in nature but there are going to be opportunities, and we will talk a bit more about this in a few minutes, but opportunities for us to continue to build upon some of these short-term ideas and continue to influence the Department as it moves forward.

And last but not least, I would say that I think many of want to get things done immediately and keep moving forward at a fast pace. And so we know that this administration has only a finite number of days left but we do hope that some of the work that we propose here can be carried forward into the next administration in a speedy and effective manner.

So, to the extent the subcommittees can continue to put more meat on the bones that are in
these letters, I think that would probably be helpful to try to help make sure there is a path forward.

Thank you again, everybody.

CHAIR GARVEY: Thanks very much. The way that we will do this is have each one of the committees make their report but then have the discussion after that presentation. So, you will have plenty of opportunities to ask questions, if you would like. And we are going to begin with the Workforce Development with, I think, Jeff, you are on deck, as they say.

MR. WILSON: Well, good afternoon, Madam Chair, Madam Vice Chair, and members of the Investment Advisory Council.

As a support to the Director Department of Commerce, we are taking steps to hopefully improve the process for foreign direct investment to obtain key enabling foreign enterprises to better understand our labor markets, as well as relevance so that they can make relevant investment
decisions and have greater investment confidence and expedite, especially expedite the research and analysis work that is done when you make an investment into the area.

So that said, and with the help of the hard work of the subcommittees and the feedback from a number of you, we have three actionable items we would like to present to the committee today.

The first is the development of a searchable cloud-based portal that a foreign enterprise can use to identify locations in the U.S. and in different regions which might meet their potential needs, specific needs for labor requirements. I know for our company that is a major consideration when looking to investments.

And then to build onto that idea, the second would be with this portal we would populate the information provided by the federal government sources and supplement it with standardized workforce demographic data from the state, and regional, and local sources that today is, if
currently available, or not available in a standardized format.

And then a third initiative that we are recommending is that once we have the database out there and we have it standardized and the information is available, then we go about the work of a promotional campaign that showcases to our foreign enterprises the availability, the accessibility, and the importance and relevance of this campaign.

So, that concludes our recommendation.

CHAIR GARVEY: Thank you. Thanks very much. Are there questions or comments or observations anyone would like to make?

VICE CHAIR SMITH: I'll start off. Can we describe -- I know there is some work already being done to standardize data or maybe create some data through either SelectUSA or Commerce. Is this something that -- or is this something that is brand new that you would be starting from scratch? How do you see the evolution here?
MR. WILSON: I think probably, Cathy, that there is data out there already. And when the teams should describe it and be approved and changed and move forward, I think we are going to be able to really I see the standardization, the portal being more of taking that data that is already out there. There is, obviously, demographics, educational technical support from the various areas. That data is there.

But to be able to provide the customer, in this case, a foreign investor with the standardized approach to say they can do a review from California to Maine and look at all of the regions and it would be in a disciplined, obviously, regional format. This would allow them to take the data, again I think to your question, that is already present and look at it in a more systematic view.

I know that that is very challenging. With the number of investments that our company has made into the United States, we are always -- now,
I think it is important to footnote that what we are proposing has nothing, no interference with the competitive process that the states will go in. This is more just the initial screening and analytical work.

AMBASSADOR THUMMALAPALLY: If I could add to what Jeff said, in proposal 1, there are number of bullets. A number of these bullets are available on the Census site. The Census Bureau already has things like items like salary, wages, and benefits by community. Education level of the various communities, it is already there.

So, the point here is we don't need to wait until we get all of these things before we take this approach. We can start and it be a living document and we update it as we go forward. So, we will evaluate this and we will come back and sort of build on these ideas. This is very helpful.

VICE CHAIR SMITH: So, is this searchable data? So, someone can type I need you know CNC operators.
AMBASSADOR THUMMALAPALLY: It is on their site. It is available already but to bring it onto a portal like this proposal would be so much more user friendly, both from the economic development standpoint but also from the investor's standpoint.

CHAIR GARVEY: Would the portal be housed in Commerce?

AMBASSADOR THUMMALAPALLY: So that is the recommendation. So, we need to find out how and what are the steps and so on. So, we will have that discussion. But we are just talking about the idea is there.

MR. FINKLE: Yes, I have two comments. One, unless I am mistaken, I don't see the word certifications used. And so many employers are looking at certifications in a variety of manner. And from ACT with the work keys to the name of the game for many companies is -- and so it seems to me you would want to capture certifications.

And maybe this is a personal issue. I
come from Ohio and we are a labor state. I mean
I live here now. Are we, by putting union
classifications or whether union or nonunion state
and what that impact is on wages, do we really want
to advertise that? I think those who might see
their wages being a little higher would also say
that causes us to retain better employees.

And of course there are two sides of
this union issue. It seems to be a political
statement that we may not want to make because that
would have blowback from somebody.

MR. WILSON: Understood. And I would
respond, Jeff, by saying that I think your idea with
respect to certification is certainly one that
makes a lot of sense with this project in support
of the data.

With respect to the sensitivity around
union, we certainly realize that just recognizing
that we, from a global perspective and the
companies that we are attracting I think we will
attract, especially in the manufacturing base, the
competitive processes, and that will be something
that I think that the company will require. We
don't have to advertise.

MR. FINKLE: Exactly.

MR. WILSON: So, I get your point.

MR. FINKLE: Yes, I mean they are going
to find out one way or the other.

MR. WILSON: Sure.

MR. FINKLE: Should we be the ones
providing that, therefore, trying to be somewhat
neutral in the process?

CHAIR GARVEY: Jeff, thank you for the
suggestion because if we do certification, the
notion, the idea of certification but perhaps
remain silent on the union piece.

MR. WILSON: Yes, I think it is --

VICE CHAIR SMITH: One other thought on
this area. And I know this is done nationally is
that states are ranked by productivity of their
workforce, which is a way to sort of get past the
union issues because sometimes their productivity
is higher than non-unionized workforce. So, that gives a more neutral look at it.

And that is available. I don't know which department has it but it is available out there today.

CHAIR GARVEY: Any other comments or questions or observations?

MR. IYER: This is quite comprehensive. In fact, we are looking forward to support like that for our business in Houston. And I approve of the idea, Jeff, you do the certifications of people looking to do it, number one.

Number two is labor laws is a very sensitive subject for us and we would like to have a comprehensive area where we can understand the labor laws. That is number two.

Number three is some of the best practices in the sense that if you can showcase some success stories of companies like us in Houston, it sort of gives a comfort feel to companies coming into a city.
So, somewhere if you can showcase some of the success stories from the companies in those cities, or states, or regions, it just gives another comfort feel for a company coming in. We do that with Houston a lot. And we have visitors almost every month and they are asking us how is it doing business in Houston.

CHAIR GARVEY: What do you say?

MR. IYER: Oh, it's great!

CHAIR GARVEY: Fabulous.

MR. IYER: It is probably because it is the people. You get the best group of people and plus the airport is very connected to different part of the world and all that stuff.

So, there are many things that are successes in Houston but it is good to showcase success stories, wherever this information is put as a consolidated information.

And I think the information is available but if it comes together in one place, it is easy to search. Just today I see information
is in many places, very difficult to get all what you want and you spend a lot of time. So, it would be good to have one platform with all those incorporated.

CHAIR GARVEY: So, two comments, then. One was on the labor laws, the understanding of the labor laws and the other, of course, is best practices. I totally agree, it always is easier when you can sort of see that.

I guess my question, and perhaps it is more for the committee and perhaps for Commerce, is the portal the place for that? I think these are two excellent ideas. Is the portal the right place or should we be looking --

DEPUTY SECRETARY ANDREWS: Well, the labor laws, I think we have got to figure out what we want. Because I think the portal is likely to be more successful if it is data-oriented.

But to your point, I think the information that you are talking about is valuable but I think that is an important observation is do
we want it to be a data-driven portal. Is the usefulness primarily bringing together data?

And I would just note that it's two things. One, it is really impressive how concrete this is. So, I appreciate the very in detail of this but it also aligns with the administration's Skills for Business Initiative trying to really broaden out the accessibility of information on different skills programs and also our long-term data goals here as a Department.

So to your point, I do think probably focusing on the data and then looking for other appropriate places because that is valuable information.

And I will just give you an example, state labor laws are probably not something we, as the federal government, have or we don't control that information as well. Whereas, the data, it will be bringing various data sources together and allowing them to be accessed through this portal.

MR. HYATT: Can I ask you do you think
-- this says from federal sources. So, the intention here is a portal which provides currently collected federal data. That is a little bit different than gathering data to actual portal. So, is that what is meant here?

It does say from federal sources. Or is it thought of more broad?

MS. SPANOS: There is an opportunity for states to add their specific data at the state level, as well.

CHAIR GARVEY: As long as it is in the same format.

MS. SPANOS: In the same format, same context. That standardization is important.

CHAIR GARVEY: Got it. Yes, I agree.

MR. HYATT: And is it your sense there is a lot of data at the Department of Labor as well or is it primarily Commerce data? Is it like all over the place?

MR. WILSON: I think it is data that is collected in a number of different departments.
And this tool allows us to harvest that data and bring it together, along with gathering the states' information. So, again, when you go in and you are looking for a particular area to invest in, you can do a fairly balanced analysis between one region or location versus another.

CHAIR GARVEY: Any other comments or questions?

MR. MCDONALD: I just would like to reinforce the work that SelectUSA is already doing with some of the third-party providers like Statebrook and others that are helping to aggregate this federal data and making it understandable for the customer, at the end of the day.

Again, piecing together Census and DOL data and making it map able so people can see it spatially and everything is a terrific way to just be -- they are just friendly to those and not cause them to actually look through five different websites and try to figure it out. So, a portal is landed.
And I would reinforce Mani's comment about not just best practices but case studies about what worked and what didn't and lessons learned by companies small and large that have invested in the country and inevitably have hired people and figured the system out. But if they can do that to make it easier for the next company, that would be fantastic.

CHAIR GARVEY: Any other comments? So, it sounds like the two suggestions from Mani, which I think are very good ones, we will table and continue our discussion on it. Perhaps that would be the next -- part of our next body of work that we do. So, this will stick with the data-driven portal but recognize that those are two important questions.

I really love the idea of the case studies, too, because even at some sort of a conference that really highlighted where it worked and what didn't work.

DEPUTY SECRETARY ANDREWS: Is that
something we would put on the SelectUSA website?

   MS. SPANOS: It is a natural place where enterprises can go to look.

   CHAIR GARVEY: Yes, and Mani, it sounds like you have some case studies to offer as success stories. So, that is great.

   So, if there -- I just want to be sure there are no further comments or questions.

   VICE CHAIR SMITH: Great job.

   CHAIR GARVEY: Yes, it is a terrific job.

   If not, may I -- should I get an actual motion or is it just assumed that we -- oh, thank you.

   Here we go, guys. Are you ready?

   (Simultaneous speaking.)

   CHAIR GARVEY: Since there are no objections to the recommendations, they are accepted. I am glad you were here.

   All right, so we will move on to the next group, which is ecosystems.
I'm sorry, do I need to do something else? Oh, I have to actually say that?

All right. Hearing none, the recommendations are adopted.

(Simultaneous speaking.)

CHAIR GARVEY: Ecosystem. Mani, are you going to lead that?

MR. IYER: Yes. Good afternoon, Chairman Garvey and Vice Chair Smith, Deputy Secretary Andrews, and fellow council members. I am going to present on behalf of Chris Camacho, chair of the subcommittee and my fellow members here.

In the initial months that Investment Ecosystem Subcommittee had focused on some short-term initiatives and actions that has the highest impact on what we discussed as identifying the three opportunities starting and growing business investments in the U.S., as well as leveraging partnerships, best practices, as well as technology tools to best support the FDI in this
The subcommittee's initial discussion centered on three ideas, along three ideas, which have an opportunity to affect change in the near-term. And they are enhancing the gathering and dissemination of information already available. Second is managing client services through standardized processes. And third was resources needed to globally compete to attract FDI.

In this case, as client services, we have a couple of audiences. Number one is the educators of foreign-owned enterprises like us evaluating, investing, and expanding investment in the United States. The second is the state and the regional economic development organizations that work with SelectUSA to promote FDI in their respective markets. And we believe with the engagement of states and regions SelectUSA can carry out its most important mission of job-creating business investment into the United
States.

So, on behalf of this committee, I respectfully submit some recommendations for consideration. Number one is creating cohesive federal, state, and regional EDOs foreign direct investment attraction objectives and strategies to create a stronger platform to promote the U.S. And this, we believe, could be accomplished by prioritizing the deployment of the current available resources to maximize the outreach efforts to potential investors, as well as expanding the SelectUSA investment mission at these marketing and promotion events, as well as dedicated tools and staff to support the outreach and align with the regional, state, and local EDOs.

So, the subcommittee recommends SelectUSA to deploy existing resources in a very focused and prioritized manner and in coordination with the state and regional EDOs.

Number two is service states and regions on a biannual basis because we believe the
EDOs are very well connected to the market of the key objectives and strategies. There are frequent touch points and that includes the alignment between SelectUSA and the EDOs.

And I think also there is a need for a standardized process to share information between the state and the regional EDOs about the type of investment opportunities we have that the investors are seeking.

It goes without saying that we believe additional resources are required at SelectUSA for expansion of trade missions, marketing, and promotional events to enhance the outreach. But this is more important for us to gather information, get some access so that the potential investors can go through it to evaluate locations to invest in the U.S.

The second is we recommend optimizing the flow of information between SelectUSA and the EDOs and potential foreign investors by creating some standardized targeted questions and request
forms detailing the critical data points the
investors would like to see at certain level of the
projects and also develop procedures that allows
the EDOs working through SelectUSA to provide
investors with relevant data and the information
they seek.

We believe utilizing these best
practices in standardized intake processes will
benefit communication between SelectUSA and the
EDOs while maintaining the highest standards of
confidentiality, which is important, we agree, and
geography neutrality. SelectUSA will develop a
position to respond to the client needs.

Finally, we propose establishing a
recommended set of standardized state and
regional-level data to be aggregated from the EDOs
and make it accessible to the SelectUSA clients.
This promotes the focus of database to the EDOs,
as well as actively pursuing data sharing from EDOs
to SelectUSA.

Initially, the current data could be
warehoused in a central place that everyone can access and then, eventually, it has to be a federally-operated database, in our opinion, of national and metro-level international business cost comparisons.

We recommend SelectUSA establish a collaborative portal. Right now I understand it is with Statebrook but we recommend SelectUSA establish a collaborative portal of its specific state and regional data collateral so that we can access and there is no fear of losing information or not getting enough information to SelectUSA.

So, these would be our recommendations. I appreciate the opportunity for us to present. And I leave it to you all to discuss the merit and impact of these recommendations. And thank you, Chair Garvey. I return the floor to you.

CHAIR GARVEY: Thank you very much, Mani. Any comments? Any questions for Mani? Any observations at all?

VICE CHAIR SMITH: So, Mani, it sounds
as if, particularly on the standardized data, that it has some resemblance to what we heard out of Workforce.

MR. IYER: Yes.

VICE CHAIR SMITH: Do you see that as kind of a cornerstone, the Workforce work that we have just talked about and then building upon that with other types of data? And if so, what other types of data do you anticipate being included?

MR. IYER: Yes, you are right in saying it is along the Workforce Development discussion we had a standardized set of data where I believe the EDOs have got a lot of data of the regional and the local state market information. They have done a lot of research to get those data. To what extent is the Statebrook updated with those data is the question.

So, to what extent we have reliance with the SelectUSA for its federally-operated database or even if it is Statebrook can we carve a portion which is just made for this purpose?
Does that answer your question? You are asking for what data do you need to be posted?

VICE CHAIR SMITH: Well, I think in addition -- so I think we have agreed that the workforce data is extremely important, I mean a lot of what people are looking for when they are coming from offshore. And I think the question I had is are there other types of data that you, as a committee, discussed adding to that workforce data that would be of particular relevance?

MR. IYER: The occupational cost and the tax information, the regulatory information. And those information are all required for us to compare which part of the country. A big city is more competitive against our cities. So, the data should be able to compare cities of other countries versus our city so that the investor looks at those data and makes a conscious call of where to first to come to the U.S. and when it comes to the U.S., all the states and the regions should have that data so that he or she decides which part of U.S. would
he like to come to.

MS. MCGUIRE: And Mani, when we were going through this committee discussion, we were trying to look at our customers or investors. What do they need in order to make a decision? Where are they going to do the first level exploration?

So, that can be the talent availability, which is the workforce. It can be government incentives. It can be what industry clustered we have in what part of the country. It can be the cost.

So, I think study could be done saying looking from a core investor's perspective what data they need to make the decision, the first level decision. The data cannot replace relationship. That is a first step. And so all of those data should be integrated into one tool, not just workforce.

The other thing is everything we talk about is structured data but also there is unstructured data. They are the people on the
Facebook talk about Samsung made a $16 billion investment in Austria. We got 3,000 workforce. cost very affordable. That kind of information, if we can integrate unstructured data into a tool, now we become powerful. Then, they can compare these data with another country to make a preliminary decision. So, that is what we are talking about comprehensive.

CHAIR GARVEY: You know I was curious and I think it is a terrific observation, the notion of focusing and prioritizing resources. And in fact, the Congress has limited resources.

What was the -- I would be interested in some of your discussion that you had. How did you see that happening? You said along the state and regional lines. Was there more you can add to that? What were the areas of focus you wanted to focus on?

MR. IYER: Yes, I would like the committee members to also pitch in if I am missing something here.
I believe, and I will be candid here, to begin with, we felt that there is not enough information. I think that SelectUSA's resources are relevant today but not very openly known to the EDOs, in my opinion. So, there was some learnings through the process of what is available to begin with and, therefore, how do we prioritize what is available.

And then we felt that the resources in the SelectUSA is not expansive enough to collect in the many countries -- within the country the areas we need to address and, therefore, how do we have SelectUSA recruit resources, prioritize into those areas.

So, those are the discussions I would like my committee folks if there is any more things which I missed speaking about. Do you have anything to add on this question?

MS. MCGUIRE: I think let me maybe give you a real example to bring to light.

So, three weeks ago we had an Inaugural
Texas-China Investment Summit. And we practiced and learned three key areas that is kind of reflect our recommendation. So, it has not come from a vacuum.

Number one, we talk about harmonized federal, state, and regional EDOs and working together. We were able to, we, as a volunteer nonprofit organization, we were able to bring in SelectUSA, Vinai's organization, to support effort. We were able to bring Republican-dominated states, governor's office, economic development agencies. We were able to bring Democrat-dominated county and city government. And we were able to bring in universities and chambers, EDO, all coming, working together.

So, the recommendation is how we can find a mechanism to get all these people working together towards common goal.

What we did was fuel people's effort, literally sat down with each one of them and
understand their objectives, what they are doing, and make sure what we are doing reflects their objectives.

But somehow we even make into a mechanism. And what I am thinking, as I am listening, this is what just came to my mind, is if SelectUSA can fund some neutral nonprofit organizations solely to bring these parties together. So, that is one, to bring everybody working together.

Because of this effort, we were able to, within about three months, we were able to bring in $4.5 billion project, diverse projects from internet things, to clean energy, to medical devices, to real estate, et cetera and we were able to bring 55 qualified investors representing $6 billion.

And the results is like amazing. Within weeks, we had a $300 million MOU signed with the investors and project owners. And if we didn't bring these parties altogether, that wouldn't
happen because what I said in the past was divide and conquer.

So, the one, that first recommendation is harmonized for those state, regional EDO working together to create objective strategies. What if SelectUSA partnered with nonprofit organization to make that happen, a neutral party? So, that is one observation.

The second one is technology tools. So initially we said let's get just 50 projects and we got 50 investors. Perfect match, right? But the word got out. All these projects want to come talk to us. Now we have got 100 projects. And we have few volunteers. We can't manage it.

So, we were forced to go look for tools. And then later on we found out we didn't have to create the tools. The tools are already there. We just need to go find them.

So, we found, after talking to different people, we found state exchanges. It has actually served the purpose we want to deliver,
which is consolidate qualified different projects and have very ready accessible tool that can receive investors' inquiry and do that online due diligence. It is like Match.com on SelectUSA.

And so they have done the first level due diligence. And so once they have done their due diligence through the technological tools, now the relationship comes into play. Now, we sit down with them to make sure there is synergy. So, those are the two things I learned.

Actually the third thing, it is also PPP, public and private partnership. We have the mayor of Austin pitch in $500 million affordable housing to private investors. We had a director of the Transportation Department pitching a billion dollar highway project they couldn't fund for investors. Now, I have a trip to China to make that happen.

So, these are the things I learned. It is a partnership. It is PPP. It is all about leveraging technology tools which reflect our
Thank you.

CHAIR GARVEY: Thank you very much.

VICE CHAIR SMITH: So, in the discussion in your letter about creating maybe a dashboard or getting requests from potential investors that then would be followed up on by the EDOs. Being very practical-minded, running and EDO myself now, my question is how would that actually work because that is, potentially, a lot of information. And you said confidentiality would be protected, which is very important.

So, I am just trying to understand how you saw that actually functioning in a way that would give access to all the EDOs, which there are hundreds of in the United States. And then there are, presumably I hope, hundreds, maybe thousands of potential investors.

So, I just was curious how you saw that actually operating.

MR. IYER: If it is a database where all
the information will be there but if it is searchable there, if I am an EDO of a particular area and if I would like to know what is the interest of these potential investors in my EDO so I can search and find out who are these potential investors, who has already sort of narrowed down to where my EDO is and how they would like to come and participate in our community.

If not, then are there adjoining EDOs? If he can collaborate and find out who could those potential investors be so that we can collaborate and work with each other, that would be my suggestion.

Now, I understand that it is a lot of data and a lot of data to scan through and see what would work but today I believe we have to go to many sites to get that data.

Today, I may be wrong here, the data is not available in one particular place. If all the data could be coming to one place and could be searchable, we should be able to narrow it down to
what could be the most important for that.

VICE CHAIR SMITH: For the company or for the EDO?

MR. IYER: Both.

VICE CHAIR SMITH: For both.

MR. IYER: I think the potential investors also would be interested to see which part of U.S. do I go to.

VICE CHAIR SMITH: Yes, that I get.

MR. IYER: Very Good. And then the EDO also could get a list of those potential investors so that there is more education, there is more alignment, and there is more information sharing, more so than anything else.

I see a lot of anxiety. Now, if I take my example as my intergroup of companies, we have seven sectors here. We have a lot of sectors back in the world which could come here. And I see a lot of governors representing India meeting with my chairman. But it would be good to have one place where we could go and access to say give us a place
which will be conducive with its workforce, development, and labor laws. There are many things which we have to consider to get to that place.

I don't find that as one available place.

VICE CHAIR SMITH: Yes, and I think, from the prior conversation and this, that having that, and it is all publicly available information but in a standardized consolidated way, so that you could search it and get the information. I think it is the other direction that I am really curious about because there a company like yours, how much of their information do they want to put out to how many organizations and do they want potentially hundreds of organizations responding when they may or may not want to talk to them.

So, I think that would be something I would ask this committee to carry forward and think a little bit further about of how practically that could work in a way that would protect the interest
of both sides.

CHAIR GARVEY: So kind of a gating question.

VICE CHAIR SMITH: Kind of a gating question. Or is there ability for the company to sort of self-select I want to talk to these six and then you get access or something like that.

MS. SPANOS: Is there some of that gating happening at SelectUSA, though?

VICE CHAIR SMITH: I don't know how they manage it today.

MS. SPANOS: I think yes, because all the states get leads that come into SelectUSA, correct? If an investor is interested in investing in the U.S., don't they typically go through SelectUSA and then you farm them out to the states?

AMBASSADOR THUMMALAPALLY: Not all. We would like them to because we know that would be ideal but I think the idea here is to see if a portal could be developed that can provide just
that, what you are describing.

So, there are a lot of touch points. There are so many -- there is a lot of case work happening, this kind of just the way you described it. But the scale is -- I mean the field is so big.

MR. FINKLE: So, we at the International Economic Development Council, we actually did a project several years ago and we called it the Site Selection Data Standards. And we didn't feel that we encouraged communities to maintain a certain set of data. And the data needs of companies can be massive. And it kind of depends. You know what is a company looking for? If they are looking for a headquarters operation, that is an entirely different set of data needs versus a logistics center of some sort versus a manufacturing center of some sort.

Let's take a headquarters, for instance. You know a headquarters operation, they are going to want to know what do the local high schools look like because they are going to
bringing in their top executives and they are going
to want to have them in great schools. They are
going to be looking at quality of life questions.
And how much data are we going to be asking
SelectUSA to put out there?

I think Statebrook is doing a decent job
right now at providing a fair amount of data. The
second question -- and I was on this committee and
so I feel a little guilty maybe of not having raise
some of these more articulately at a previous time.
But the second question is where are our leads as
economic developers coming from. And my guess is
that -- let me give a different analogy before I
talk about SelectUSA.

The site selection consultants we all
think of as gods within the economic develop world,
oh, they have all these connections to all of these
business leads, they are only doing about 30
percent of the site selection deals. What
percentage is SelectUSA doing of international
deals? Are they doing five percent? Are they
doing ten percent? I don't think we know. Hopefully it is 100 percent but 2 percent?

And so it seems to me we need to be careful before we jump into building an enormous database until we also get SelectUSA in a position where their influence on deal flow is so significant it justifies an enormous amount of investment to build such a tool.

MR. IYER: We could look at the Statebrook database and see if we can carve out a place where EDOs and SelectUSA can look at the data themselves it is all being open to the public. So, then there is confidentiality in there. If the EDOs have made investments, they don't want that investments to be sent to other places. So, it could be at one specific place in the Statebrook site.

MR. FINKLE: And, Jane, there is one third point. I apologize.

I do worry about the rural places and places that don't have a lot of money to populate
data. So, that is where SelectUSA and Statebrook have to be helpful to those places because not everybody is going to have the budget of GPAC or Greater Houston Partnership or Kenny for that matter. They are prepared and they have the resources and the research tools to supply most data needs. You know there is going to be a lot of places that aren't going to be able to be helpful. And that is --

MR. SPIEGEL: It is a huge challenge, though. I know even a large company like Siemens, where all 50 states, we do a little bit of the analysis in-house but we use consultants a lot on the outside and we use the SelectUSA database. But there is so much data, especially if you are making a big investment decision, so much data, everything is changing rapidly. You also have to fact check some of this information you get to see if it is really true.

I mean we have had situations where people said well there is enough workforce in the
area to handle this additional facility and find out there aren't enough people who have those kinds of skills and things like that. So, it is a big challenge.

It would be a massive database. There would be a lot of data.

CHAIR GARVEY: Right. I would say from listening to the discussion, this is really excellent discussion and I think, directionally, it is very good. The recommendations are really solid.

But it also sounds like we have got some more discussion and some areas that we can focus on as we move forward, but terrific.

And thank you very, very much. I am wondering if there are any other more questions or any objections.

MS. MCLERNON: Jane?

CHAIR GARVEY: Yes.

MS. MCLERNON: This is Nancy McLernon, I would just like to add a point on the ecosystem.
So, one of the things that, and I don't know if it belongs here, but about 60 to 70 percent of FDI comes from existing companies that are already here. And so the extent to which any sort of tools also take into account the companies that are already here and any activities that SelectUSA engages upon, I just wanted to flag that it is not always reaching across the Atlantic. You know that if the companies here, sometimes even if they have got foothold or a company like Siemens still can require some of that care and feeding as well.

So, just to define it, I don't know if it belongs in the ecosystem part. To not just focus on the global headquarters but the companies that are already here can provide so much. It is kind of low-hanging fruit.

CHAIR GARVEY: Very good. Good observation.

So, hearing no objections, I am going to adopt the recommendations from the Ecosystem Committee. Li, how did I do on that one?
(Laughter.)

CHAIR GARVEY: I have proclaimed the recommendation adopted.

I didn't know I had this much power.

(Laughter.)

(Simultaneous speaking.)

CHAIR GARVEY: Well, look, I'm a little sensitive about time. We have got two more presentations and then we have a couple of folks who are here from the administration that we would like to hear from as well. And we want to also spend a little bit of time talking about where do we go from here.

So, with that, I am going to turn it to Eric for the Investment Competitiveness Subcommittee.

MR. SPIEGEL: Very good. Well, thank you. First, I want to Chair Garvey, and Vice Chair Smith, and Deputy Secretary Andrews, and everyone else from the Department who is here. We really appreciate the opportunity to be part of the IAC
and look forward to working with you and going forward in the future.

I would also like to thank on the subcommittee one of my subcommittee members here, Nancy McLernon is down there from OFII. Thank you very much for her help. It was a great team effort, actually lots of phone calls, lots of meetings, lots of editing and we got it down to two recommendations, which I will get to in a second.

Our charge was really to take a look at identifying policy barriers and challenges to foreign direct investment. I think one thing that became clear as we went into this is what a great job the Department and Secretary have done. I think just from 2014 to 2015 alone, FDI has increased, almost doubled, in the U.S. over that period. So, that is great.

And I think just in working with people in the Department and the Secretary, it is pretty clear they realize that increasing FDI would increase jobs and I think we have seen now 6.4
million Americans now work for inbound companies, which is about 1 in 20 jobs. So, I think that is a great accomplishment.

We would obviously like to see this continue. We would like to see a national goal, in fact, set by the next administration to increase FDI. We would also like to see, obviously, SelectUSA continue, which we hope it does and we think it has been invaluable.

And I think especially at this time we do see some headwinds out there. There is definitely a global backlash around globalization. It also trends toward protectionist measures. You can see that both here in the U.S, we obviously see some of that but, around the world, we see some of those issues as well. So we think now more than ever SelectUSA and getting the right policies in place to encourage, in fact, we think not only as a defensive thing but an offensive mechanism, this is a great time I think for the U.S. to be inviting companies in and make it easier to invest where
other companies, other countries are pushing back.

So, let me turn to the recommendations. So, there is two. The first one is as an authoritative source on inbound investment, the Secretary and SelectUSA should be used as a resource for the review of public policy. As such, we recommend the Secretary continue to work to remove barriers to FDI in the U.S. by preventing or changing regulations and regulatory actions that may disproportionately disadvantage foreign companies doing business in the U.S. To further that, advocating the necessary steps towards fixes, where appropriate, could help create a more level playing field.

Three points under that. One is the Secretary should serve as an expert resource in this area by advocating for regulatory climate that balances both the policy objectives where they impact on FDI and that is working with other agencies in the U.S. Government and also with states.
And the Secretary and the Department should continue to engage interagency colleagues, including utilizing their agency Investment Working Group on matters that relate to FDI promotion in the U.S., such as regulations that are prejudiced against FDI, and that the IAC can serve as a positive resource for the Secretary for this purpose going forward.

Just a couple of details under that, further context about the recommendation. On the regulatory side, we think the Department of Treasury's Section 385 final rules threaten U.S. competitiveness, predominately impact inbound companies and, unfortunately, the characterization of FDI contained in these rules is completely contrary to the Secretary's strong efforts.

I won't go into detail on that but we think the Secretary has done some very good things around that but we are still concerned because, unbalanced, it does impact foreign companies more
than domestic companies.

On the legislative side, improvements are needed to the Foreign Investment Real Property Tax Act. Some of the changes have been made to FIRPTA but a long-term statutory fix is still needed. We recommend the Secretary support a change in the definition of a U.S. real property holding company that would streamline compliance. The Infrastructure Subcommittee, as well, is recommending clarification of FIRPTA. I think they are talking next.

Our second recommendation is as follows. The Department can serve as an advocate for commerce in the U.S. by clarifying that U.S. subsidiaries should be regarded as part of the U.S. business community for the purposes of federal government support, advisory group services, and promotion in the U.S. and around the world. Given inbound companies export nearly one-fourth of all U.S. exports, they should have an actionable and government business dialogue guiding our business
environment here in the U.S.

One point under that, the executives of U.S. subsidiaries of foreign companies should be more actively included and considered for business engagement opportunities, including advisory groups, roundtables, and trade missions with senior government officials. I think there is an opportunity, given the short-term for the Secretary, to work with the Assistant Secretary of Commerce for industry analysis. The end result would be revising eligibility for the administration's industry advisory groups to include executives of U.S. subsidiaries in foreign companies.

This is similar to Secretary Pritzker's efforts on the Manufacturing Advisory Council and the Secretary can also encourage the administration to include and actively seek out FDI participation on the President's Export Council and other similar advisory councils.

So, I will just end by saying thanks
again to the Secretary and to the Department for forming this group. Thank you, Chair Garvey. And we look forward to having a discussion about these topics.

CHAIR GARVEY: Thank you. Thank you, Eric.

Any questions, or comments, or observations that anyone would like to make?

Nancy.

MS. MCLERNON: So, I will just say a couple words. It was a pleasure working on this subcommittee.

And as an organization for the last 25 years who has focused on discriminatory policies, having an administration think outside the economic box and make foreign investment a priority has been tremendous and is so far from where we were ten years ago. And so moving that football down the line is, obviously, an important goal.

Eric mentioned 385, our favorite three numbers, and we know that the Commerce Department
went to bat on a lot of issues of concerns to the business community. They were revised in a such a way to have an almost exclusive impact on just inbound companies. So, U.S. multinationals were largely carved out. And so there is a disproportionate impact on inbound companies and it is something we will obviously continue to work on.

But as Eric mentioned, the characterization of foreign investment that is in the over 500 pages of regulations is something that is problematic and we worry about going into the next administration how they may view foreign investment.

So, it wasn't just the changes to the regs. It was actually the characterization of FDI seemed disconnected to the hard work that both the Commerce Department and the White House have been doing on FDI and would love to figure out a way to have the connecting of the dots on how FDI is viewed in other agencies within the executive branch, as
well as Congress, not just the Commerce Department who definitely seems to get it.

DEPUTY SECRETARY ANDREWS: I just want to say on behalf of the Department, look, we are very committed for advocating the United States is open for business and I think the work that we have done both developing the SelectUSA program and also the work within the Interagency Working Group really reflects that. We are very committed to treating all investors the same in a fair manner under law.

Your recommendations, these recommendations are important and they are helpful. You know I think there are, there have been, and 385 is an example of challenging policy discussions which have taken place within the administration and there is a complexity to the myriad of issues that takes place here.

And so it is a challenge but to the points of both Eric and Nancy, thank you for recognizing the work that we did because we did
engage significantly within the administration and with Treasury. I think we had some successes. There were a bunch of things where we moved the ball very successfully, some things that we had some success but maybe not as much as we would like.

But I think part of the challenge here is I think they were trying to address certain factors that, unfortunately, the complexity sometimes of writing regulations, I don't think they were purposely trying to -- and they actually stated, they were not trying to reduce U.S. competitiveness in terms of FDI but I do think that the ultimate impact recognized was broader than many in the room would have liked to have seen.

But so we are going to continue to work on these issues, frankly continue to coordinate within the U.S. Government, within the interagencies, use the Interagency Working Group to keep pushing these issues forward.

And I think, to your point, this gives us a good opportunity to go into the next
administration to continue to highlight the importance of FDI and to encourage policies that support the expansion of FDI and we will continue to do that.

I appreciate the recommendations. Thank you.

CHAIR GARVEY: Any other comments?

MR. BEARIAULT: Maybe one thing. I would echo the second point regarding executives of U.S. subsidiaries having a bigger say as part of advisory groups like this. I know there is a rule that prevents non-U.S. citizens from serving on advisory committees like this. I am sure there was a very good reason for adopting that at the time but it hampers -- I speak from my own experience in my company -- it hampers the ability of my colleagues to share and participate in worthy initiatives like this.

So, if we can as part of this, maybe have people take another look at that rule and maybe advocate for some change, I think that would open
up the ability of foreign countries and their executives to take a more active role.

DEPUTY SECRETARY ANDREWS: And I think just to comment to that briefly, we are very focused on getting the broadest participation and getting the broadest number of voices. The political climate, and somebody had mentioned what is going on in the broader political climate right now, whether it is about globalization, whether it is about the back and forth, which frankly is not always helpful rhetoric because I think we all recognize that A) having welcoming companies into the U.S. -- but there is a political challenge here and we appreciate that.

We try to recruit far and wide to get participation on these things but there are also just political challenges domestically and particularly in terms of we have heavy scrutiny of Congress by the process.

Some of you may have seen we get articles frequently, how shall we say, critiquing
how we go about doing these things. Not always
does the press see our efforts or Congress our
efforts to be as expansive or not widely supported.
But we totally understand the point and appreciate it.

CHAIR GARVEY: Other comments? Yes.

MR. SPIEGEL: Maybe just to underscore
the importance of SelectUSA's team in providing
council and building a bridge with particularly the
trade organizations and reinforcing the
competitive nature of foreign investment where
trade policies can greatly have impact at going forward. It was not only inside this institute.
It was competing on the front lines. It was left to the states and the regions. And now that we have it, we should utilize it for expert advice about why we are winning and losing based sometimes solely on trade policies, particularly in the NAFTA Zone.

So, it is critical components, something we should lean on more in the next
administration than we could at the beginning of
the Obama administration.

MS. MCLERNON: Can I just add to that
to Kenny's point?

So, a lot of the great work that this
administration has been trying to do to move TPP
and trade agreements down the road. Is there a way
to think of encouraging whether it is USTR or others
as they quantify the benefits of trade agreements
to include increased foreign direct investment as
sort of part of those considerations? So, we did
a study showing that trade agreements, in fact, do
courage more FDI. So, to be globally connected
to trade agreements can make the U.S. more
competitive.

And we had some executives say that the
lack of a robust agenda on trade has hurt the U.S.
a bit on that front. And to have FDI sort of all
the great benefits that come from FDI somehow
included some of the conversations and statistics
on the benefits of trade might be a way to also kind
of boost up the understanding of the benefits of agreements, as well as cross-border investment.

CHAIR GARVEY: I think that is certainly, I think, has been part of the discussion from the group to really provide some helpful feedback to Commerce and we will take all of that.

Does anyone have any objections to the draft recommendations? Hearing none, I will proclaim the recommendation adopted.

If I do this enough, I am going to get it.

We are going to turn it over to our last committee. Peter is going to lead us in that discussion.

MR. LOWY: Thank you for your help, Madam Chairman and Vice Chairman. Thank you, Secretary.

For the benefit and tyranny of going last is I will be as brief as possible.

What we did at the Infrastructure Subcommittee is really try and research the area
to see where we are and where we think can go forward and we did get some very helpful briefings from Department of Treasury and Department of Transportation, as well as our own research.

The thing that I found most fascinating is that from where we sit, there is enough actual capital around at the moment, both foreign and domestic, for the current needs of infrastructure and that the benefits of private capital coming into infrastructure projects is relatively well-recognized by both the federal government and the states themselves.

And our ability to reduce barriers going forward will really meet the future needs of infrastructure development in the country.

I think the one thing which I think is probably a personal editorial here that no one on the subcommittee objected to, since I was the chairman and I did ask why, is that the issue of future -- the amount of capital needed for future infrastructure spending, there is not a mechanism
that is really is set either on a regional, state, or federal level for urban planning.

Being out of the urban planning industry or world is that if you can set local, regional, state, and federal urban planning goals for four or five or ten years, you can then start to see the amount of capital that is needed in infrastructure spending and where it needs to be directed. That is the editorial point. So, I will move on.

There is also, a bit surprising to us, much more infrastructure in the federal government that we thought going into this or than I thought going into this. And the example of the Build America Program is one that is very instructive for what we are talking about. They have a number of initiatives right now that help streamline the process and create a one-stop resource. And there is growing awareness about what Build America has been doing, and where it goes, and how it actually facilitates both domestic and foreign capital
coming into the private partnerships.

    We have three recommendations, which are short-term ones that we think can be carried out and I would be remiss if I leave out some of the long-term ones as we have a two-year charge here and hopefully can bridge administrations.

    The first one is similar to what we are hearing everywhere else is that when a foreign company comes to the U.S., they don't know where to go. They can come to SelectUSA, especially in infrastructure they can go to Build America and go to the Transportation Department or to each of the states. And what we believe is that a register should be kept federally of the top four or five infrastructure projects that each state is looking for. And through that register, through the Commerce Department, or SelectUSA or however we decide to do this, that they can then, the investors can then be directed to whose is needed in each of those states.

    I think that is actually probably one
of the most important things we can see because when you talk to investors it is very difficult for them to find what is actually going on, unless they actually go to a state or they target a state or they come through somewhere like Build America.

The second one is really, I suppose another editorial by ourselves to the states, to find a way to get the states themselves to prioritize what their top four or five projects are. We ought to bundle projects into one investment, if there is a number of smaller projects that are there, and then those priorities can be listed. They can be put together on the information register that way, looking at that.

The last one is mainly education and that we would create a symposium not necessarily for the public investors but for the states themselves. Currently, 33 of the states have enabling legislation that allow public-private partnerships but the expertise in each state varies tremendously with the ability to take inventory and
how to raise this outside capital and how the states actually take the benefit of some of the benefit programs that are going now.

And we think under the Commerce Department, something similar to the SelectUSA symposium that would be sponsored by the federal government, the states, and some of the investors and people who invested in them themselves. And I think with the correct frame, that could actually be done next year. It would be extremely helpful in pushing this along.

The last one is the long-term recommendations that we see, some of the initiatives that should be taken. The suggestion is about clarifying FIRPTA taxes, especially on infrastructure investment, is a major issue on how foreign investment looks at the projects here.

And then some of the abilities and ideas of how to create a structure for foreign investments come in and how to deal with tax credits, et cetera, that are being used, so that
we can actually create an ability of the capital
to leverage federal capital that is being spent
over a long period of time.

And I just turned eight minutes into
three.

CHAIR GARVEY: There you go. Well
done. Very well done.

I am going to ask for any questions but
I will just ask that the questions focus on the
short-term recommendations because we will have an
opportunity in a bit to touch a little bit on the
long-term recommendations.

Any questions? Yes.

MR. WHIPPLE: Madam Chair, with
respect to a registry for transportation projects,
I think the Council of Governments and most
communities I think they chronicle the top
transportation projects, priority projects in most
of the region.

So, if there is a way for us to tap into
that database, I think we could help solve that
number one issue.

CHAIR GARVEY: Good point. It is that leverage again in collaboration.

MR. WHIPPLE: Absolutely.

CHAIR GARVEY: Exactly.

MR. LOWY: It is not just infrastructure -- I'm sorry. It is not just transportation.

CHAIR GARVEY: Right.

MR. LOWY: I think if you look, the transportation area is the one that is most well-served in the country because of where the public transportation is, what they are doing with Build America.

We are looking at a whole range of projects and states that can go all the way from a school or a courthouse all the way to water treatment plants or electricity or --

MR. WHIPPLE: It was inclusive of all of those, as well as water wastewater. It is all of those projects that you referenced. They are
catalogued in those now at the moment. I would
suggest you take a look at those.

VICE CHAIR SMITH: Could Build America
increase its scope beyond just transportation?

MR. LOWY: I don't really want to get
into interagency issues. And as much as I hate to
do that, the simple answer to that is, yes.

(Simultaneous speaking.)

CHAIR GARVEY: I'm sensitive to
Jason's time. I'm still sucking up to people in
government.

(Laughter.)

CHAIR GARVEY: I know he has got a very
limited scheduled and I don't want to cut off
discussion but we can come back to that. Why don't
we just stop and we will hold on this, the
recommendations, until we have the opportunity to
hear from Jason?

And it is really a pleasure to have you
here. You have been at a number of our discussions
on other issues but really have been one of the
leaders in investment and setting the path for so
many of us and worked, I know, on SelectUSA.

So, we are delighted to have you and I
just will turn it over to you.

MR. MILLER: Thank you.

MS. ZHOU: Did anyone have other
questions?

CHAIR GARVEY: We are going to hold
further discussions until after we hear from Jason.

Sorry.

MR. MILLER: Okay, thank you.

CHAIR GARVEY: You're welcome.

MR. MILLER: Good to see you.

Catherine, good to see you as well. The last time
I saw you was in Connecticut. And Jane, last time
we saw each other was talking about Build America.

CHAIR GARVEY: Right.

MR. MILLER: And just since it is live,
yes, Build America, should go beyond
transportation projects. The federal government
just has a more limited role outside of
transportation projects entirely. But if you just look at the set of public-private partnerships over the last several years, in a growing number of them, the federal government is a partner in them. But in non-transportation infrastructure, there are just fewer dollars and fewer hooks.

So, how we do it is not obvious and we tried to create sort of Centers of Excellence in different places for different pieces of infrastructure. So, EPA focused on water. DOI actually focused on both water and conservation because the Department of the Interior owns massive water assets in the west and will play a key role there, even getting the Army Corps thinking about its own infrastructure, how does it get private investment into what has historically been a completely federally-owned, operated, and funded set of models.

So, I will be brief. I would be more interested in having a broader discussion. Just a big thank you to Bruce, Ken, Vinai, the whole team
at the Commerce Department. It has been fantastic to work together on this effort over my entire time, actually. This is one of the first things that I started working on when I joined the National Economic Council in the beginning of 2011 was beginning to think about how the federal government could play a more active role in supporting job-creating investments, particularly inbound investment.

Because we have 80-some days remaining in this administration, I know the precise number but like bounding, one thing that, in any discussion where the economy is, it is nice to know that we will be leaving the next President with a much less painful moment than the current President faced.

You know in January of 2009, the United States Economy lost 800,000 jobs in that month. So, the day the President was being inaugurated, while we don't keep daily numbers, roughly 25,000 jobs the economy was shedding.
At the time when people were thinking about what kind of legislative options, the data at that moment showed that the economy was contracting at a rate between 3.5 and 4.0 percent. When the numbers were later revised, it was closer to 8 percent. The stock market and household wealth decreased at a rate faster than the great depression. Unemployment grew to 10 percent. So, big challenges.

We have made a lot of progress but have remaining challenges that we are dealing with. So, unemployment is now down to 5 percent. There is still some room for improvement there. We have added 15.3 million private sector jobs over 79 months of job creation. That is the longest continuous streak in the data.

We have reversed household wealth particularly because of housing values and housing prices have rebounded, the stock market has rebounded. And all of that means significant things to millions of people around the country.
One thing that we have looked at, you may have covered this at the beginning but median household income grew $2,800 in 2015. That is 5.2 percent. That is the largest gain on record. So, we are seeing a lot of improvement.

Two areas of challenges in the economy. One, global growth. Global growth has caused weakness in the U.S. and I think it is an ongoing challenge and there is more meaningful conversation around the world in terms of the ways in which governments need to work together and individually to stimulate growth in their own countries and internationally.

You see that in our export numbers. We are on track to doubling exports but weak global growth drove down our export growth, which has had negative impacts on the U.S. economy.

The second, and I think there was actually a Wall Street Journal article that had good parts and bad parts, this morning in terms of productivity growth. So, productivity growth in
the United States, if you look at productivity
growth in the United States from 1973 to today, it
has been markedly lower than 1940 to 1973.

When you look at the different drivers
of what has caused what some people have called
reduced opportunity or increased inequality, the
single largest driver has been because
productivity growth has been slower. So, labor
force participation and just inequality, more
broadly, have been of less importance. Still
important but less important than just top line
productivity growth.

So, when we think forward about how are
we going to stimulate global growth, how are we
going to break through on productivity, there is
still debates. Those are going to be important
debates but I would just highlight a couple of
things.

One, enhancing access to markets. TPP
is, obviously, a big focus of this administration.
And as we look forward, the President has been clear
on that. The President was public on that, actually, at the end of last week, and something that could stimulate global growth, including in the U.S.

The second is, we are going into a discussion, as we too often do on the federal budget. I think what gets lost in discussions on the federal budget is what we are actually spending money on, as opposed to how much money are we spending. There is a lot of business people around the room. Your first discussion saying oh, my God, we spent $638 million as opposed to $579 million; it has lowered my margins, lowered the returns on my investments. And we need to think that way as a federal government as well.

There is lots of bad ways to compare businesses in the federal government but when you think about returns on long-term investments, that is a proper comparison.

One thing that gets lost in the discussion on budgets is the area that we have
continued to cut is discretionary, domestic discretionary, which is about, outside the DoD is about $500 billion per year. A big chunk of that is research and development. Federal R&D as a percentage of GDP, is at a historical post-World War II low.

For anybody that is concerned about productivity growth going forward, I think it is hard to argue that we should be spending less on federal R&D.

The third thing is infrastructure of business tax reform. That is something that this administration has been calling for. It is needed for a whole host of reasons and I think there is real opportunity moving forward on that. We are under investing in federal infrastructure, bringing more private money in, probably will also require more public money at the same time and those have to hand-in-hand.

So, this is a big opportunity yet there is not a natural forcing function on the
infrastructure side. I think the marriage of business tax reform with infrastructure is important and creating a motivating force behind it early in 2017, when you have the Surface Transportation Legislation that was passed in December 2015 doesn't expire for five years, that is normally the forcing function for Congress.

You need to create motivation when there will be continued challenges driving bipartisanship. This is a topic that should be bipartisan. People all agree that we are under-investing on our infrastructure. Everybody can look at failing bridges, roads, increased congestion, increased freight costs, et cetera, and how it altered the ways in which our current infrastructure is failing but we need to motivate action about it.

So, I think those are a few big areas that we need to get done both this year and early into the next administration.

The last thing I would just say is a huge
thank you to the SelectUSA team, Vinai in particular, but the whole SelectUSA team. I think this is an important ongoing accomplishment of this administration. We are trying to, as Vinai I am sure will talk about and may have already talked about, putting it in a really strong place for continuity. There is lots of ways in which that is happening, whether it be through dedicated personnel, all of the different relationships that have been built, and the ongoing summit. I think making sure that SelectUSA continues on a growth path is an important part of connecting all of this.

And so I just wanted to close with a thank you. Thank you to both the current team and Aaron and the original team. So, I think this is a huge win for this administration and it has built positive momentum.

A lot of you around the table have been a big part of creating that. So, thank you guys for continuing pushing on us on that. I hope you all continue that push with the next team as well.
CHAIR GARVEY: Thanks very much. Thank you, Jason. That was really helpful.
Any questions for Jason before he leaves or any comments?

MR. SPIEGEL: I think just maybe tying together a couple of those points. We were just saying before you arrived what a great job the administration and this Department has done on attracting foreign direct investment and creating the right environment.

We need to continue that going forward. And we made some recommendations about using the Secretary of Commerce in support of it and SelectUSA as a wedge and also to encourage collaboration across all the departments of government to make sure we don't do things that will discourage raw investment.

Because I think at this point in time the U.S. is a very attractive place for investors, relative to what is going on around the rest of the world. And I think when we come out of this little
bit of a slump we are going through, I think we will be even better.

But also foreign companies, and Nancy would have all the numbers but, spend a disproportionate amount, a hugely disproportionate amount of R&D exported. Also driving exporters to pay higher wages, et cetera. So, encouraging more FDI is just going to promote more R&D, et cetera, relative to what domestic companies do.

And secondly, I think companies, foreign companies can play a big role in helping with TPP and T2. I know we have given op-eds and also working with the German government on encouraging as to why this is a really good thing for a German company and other German global companies have done the same thing.

So, I think companies can play a big role in helping to drive that wedge as well.

MR. LOWY: I would just like to add on infrastructure, which is now Ground Zero,
apparently, that while there is large amounts of capital waiting to come in, the allocation of capital is extremely difficult.

And you are right about having the Department of Transportation has their area, EPA has their area, Interior has their area but it is very difficult when you have it so dispersed to be able to create an ability to bring in the foreign capital or even domestic capital to a central marketplace to decide where that capital should be allocated.

We also have a number of ideas on how to increase, which is a little outside the scope of this because it was an actionable items on how to encourage large amounts of foreign investment to come into infrastructure, which we are happy to share with you because they are quite complex and a little bit out there for where this committee would actually see it.

CHAIR GARVEY: But maybe a good foundation for the next administration.
MR. LOWY: It might be a good foundation. Well, we think it is a good foundation. I'm not sure everyone would agree.

CHAIR GARVEY: Other comments or other questions for Jason?

Jason, thank you very, very much for being here and for being so supportive for all the time that you have been here. It has really been terrific and we appreciate it very much. I think the individual companies and then folks who have had the opportunity to work with you individually thank you very much.

So, with that, I think if you don't mind, Vinai, I think I may go back to Peter so we can wrap that up a little bit.

DEPUTY SECRETARY ANDREWS: Can I just say something? Because I apologize I have to actually leave to go to another meeting.

CHAIR GARVEY: Okay.

DEPUTY SECRETARY ANDREWS: But two things. First of all, thank you all for what was
a really great discussion and I think a bunch of really good recommendations that we look forward to working going forward.

I just actually just want to say a quick thank you to the team with Li, and Caroline, and Peggy for pulling this altogether as well. As you guys know, the good news about my job is that I just get to show up and take credit and look good for all the good work that they do in preparation for this. But really I know how much they work on all of this. So, thank you as well.

CHAIR GARVEY: They have. Thank you very much. Well said.

DEPUTY SECRETARY ANDREWS: And I look forward to hearing the readout of not just the road today but the road ahead as well.

CHAIR GARVEY: That's right. Okay, good. Good. Thank you.

Okay, so back to Peter. Any questions? We had a good comment. Any other comments? Any objections?
Hearing none, I -- what is that again -- I proclaim this recommendation accepted.

It is my pleasure now to turn the meeting over to Vinai, who is such a good friend. It is great to hear the kind of compliments and the kind of support and the recognition that everyone has for the work that you have done with SelectUSA. It has been a heroic effort, an extraordinary effort. The fruits of your labor are very evident. So, thank you. Thanks for joining us and for offering a few comments to the committee.

AMBASSADOR THUMMALAPALLY: Thank you, Madam Chair. It really is a team effort. I mean the Dep. Sec. just talked about Li, Caroline, Peggy, what role they played in bringing us together today but it dates back to really several years. And with Ken Hyatt, it really is a team effort. I am just fortunate to be just happen to be here at the right place at the right time, I guess. But thank you so much. I really appreciate it.
I will compress my remarks, so I crossed off a bunch of stuff. So, make it worthwhile. Make it worthwhile for everybody.

So, today is a very important day. Three years ago today was the Inaugural Summit. Three years ago today, 31st of October, just in terms of how far we have come, roll back the clock three years. So, we had just come off a government shutdown. So, we still pulled this off. So, again, there is a lot of things that kind of -- you know the climate was just right for an idea like SelectUSA to have succeeded.

So, essentially, everybody in this room had a lot to do with it and you know who you are. I don't have to go through all the names and all. So, it is really a team effort on how so many folks had such a key role, the role they played in making this effort what it has become. So, thank you so much.

Just a quick sort of summary of where things are today. To date, we have sort of
calculated about $23 billion of investment directly where SelectUSA was instrumental in participating in that space. So, these are confirmed investments. I won't go into all the details. It is about two-thirds of the states is where these investments took place. I put up two fingers earlier when we were talking about percent of where SelectUSA is directly impacting. So, this number comes to just a tad under two percent of all investments. So, the space is massive and we can go into details in separate meetings.

But let me go on with what sort of things we have accomplished. We are known for the summits. This is the third summit we had this June. For the first summit, which goes back, dates back to three years, we had a little over 1,000 people. These last two summits, Summit 2 and Summit 3 we had over 2,500 people. We believe not only was it just a numbers things but in just terms of the quality of what these summits accomplished. We have the next summit already planned. It is
18th, 19th, and 20th of June 2017 and we are expecting that summit to be even better. So, that is our goal, our hope, and so on.

I would like to highlight the relationship SelectUSA has built with our partners. I am talking now of external partners. The economic development community and several EDOs are here but also the investors. Nancy touched on a very key point and that is the amount of investment FDI that is taking place by companies who are already active here and that one key group is OFII. I mean their membership sort of exemplifies that.

So, we believe we have built a relationship that is a good partnership but it is sort of mutually beneficial. We have come together to sort of be that convenor, if you will. So, we believe that is a significant accomplishment for SelectUSA.

Just some housekeeping stuff. Just in terms of numbers, we now have 25 full-time
equivalents here in headquarters. We also have, in these foreign countries; we have what we call locally employed staff. So, these are LES's with 13 of them in 11 markets; very quickly, Japan, India, Germany, Israel, Brazil, Mexico, Canada, Singapore, the United Kingdom, France, and Switzerland. It is not to say that countries are not here on our important just a bandwidth issue. It is based on the budget that Congress has provided for us.

So, while we have done this, one important thing, and Ken may touch on this -- He is intimately involved with this effort -- is how we are sort of institutionalizing, working to institutionalize this work internally in commerce but also outside of commerce.

Very, very briefly I want to touch the point that International Trade Administration which was historically concerned primarily with exports, create promotion, is now starting to -- and not just starting to -- has already started to
provide investment assistance in this FDI space. So, in terms of lead generation and event organizing, I will touch a few metrics on that in just a minute. But this is very significant going forward into the next administration and future is for the International Trade Administration both domestically, the Export Assistance Centers, the over 100 Export Assistance Centers in the U.S. and we have presence in almost 80 countries globally.

We are also working hand-in-hand with the State Department. If you can imagine the dynamics at posts, consulate generals, ambassadors, everybody is onboard. And this is a very significant accomplishment. Again, not here taking credit for SelectUSA did this and did that but these are things that have happened and continue to sort of solidify into people's sort of work and portfolios in their daily work.

If you can just imagine Consul Officer ECON officers at posts, Consulate Generals, Ambassadors, and so on, so the State Department
partnership on interagency has gone well.

On the metrics, if I could just touch on a few things. There were a total of 6,000, a little over, 6,072 to be exact, of unique investment clients assisted. That is a huge increase from the year before, this is in '15 -- sorry, '16, fiscal '16. That was a jump from 1,651, a 267 some percent bump.

The golfers here may think this is a case of sandbagging but I promise you this really sort of -- it just goes to show how part of the work we are doing, we are just scratching the surface. The amount of the opportunity is massive. The number of cases that we could increase is really huge.

Since 2014, SelectUSA has led or supported over 1,040 domestic and international events in over 60 markets attended by over 71,000 non-USG attendees. Again, trying to sort of get a picture of what is happening not just here at the summits and sort of road shows and so on, but there
are other events taking place in foreign markets.

US EDOs and foreign firms can access our fact sheets today or select USA stats, an FDI data visualization tool on our website, in addition to reaching out to our team for useful data for various subscription-based services.

SelectUSA continues to proactively improve by learning from the success of others. Projects like our Leapfrog IPA Best Practices, a cross-agency priority goal, as an example, we will use funds to research the best practices of international investment promotion, agencies, and incorporate them into our processes.

Interagency work, very quickly. We have worked closely with the National Economic Council, Jason Miller's team, to establish a job-creating investment at GCI, cross-agency priority. So, that was a cross-agency priority goal which I mentioned earlier.

The Office of Management and Budget awarded us an additional $1.3 million this year to
do just that. So, we believe this is clearly being acknowledged by folks in the White House and the kind of support we are getting.

Looking ahead, SelectUSA still really we believe we are scratching the surface. We are just in a growth phase. In the next year, we are excited to continue to educate the public, our interagency colleagues, Congress, and U.S. economic development organizations on the importance of FDI and the positive impact it has had on local communities and our economy.

I just want to say thank you, Madam Chair, Vice Chair for the amount of work, the sincere dedication, the fact that we have come here with some action items, some recommendations. We are just so honored but just so deeply appreciative of this commitment from the council and I will stop right there.

Thank you so much.

CHAIR GARVEY: Thank you very much, Mr. Ambassador.
Any questions at all or comments, or any observations anyone would like to make?

Yes.

MR. FINKLE: You know I do want to make an observation. And I guess many of us have probably been involved with SelectUSA or InvestAmerica. And I felt like a counselor, to Aaron, at times because he was a one-man band trying to build a global direct investment program for the U.S. Government and particularly, Department of Commerce.

I then, believe, went through three heads of SelectUSA; one that was a blimp on the dot and then two, that were meaningful. And you know working with Vinai and the team that they have around them has, for the economic development community, has absolutely been phenomenal. It is watching this organization stand up. And I want to repeat something I just alluded to, the United States was the only industrialized country that did not have a significant foreign direct investment
agency. Meaning, even to this day, Great Britain whops us in terms of the number of staff that throw out at this. I would venture to guess Canada comes close. And to see this finally get stood up and to have Vinai leading it has been phenomenal.

So, I hope you will all join me in giving them a round of applause.

CHAIR GARVEY: Well said. Thank you very much. Any other comments or questions?

MR. BURROWS: I just had one. Aaron, I don't know if you remember but it was three years ago today we sat in this room with Fuyao when they were here from China for the first time. So, it was a big moment. It was deep.

SelectUSA, Aaron, made arrangements to have a meeting in this room, I believe to meet with our chairman from China in his first visit. So, thank you.

AMBASSADOR THUMMALAPALLY: He was on last Thursday's Washington Post article. And what he said was -- well, I am done talking.
CHAIR GARVEY: That's great. Thank you for commenting.

Well, I know we don't have much time and I do want to be sensitive to the time. I know some have travel arrangements to make. But we want to spend a moment or two talking about where do we go from here. And we have heard today, I think, some excellent short-term recommendations but we have also heard reference to some longer term recommendations, some that will need more discussion, more understanding perhaps.

But what Catherine and I have talked about is the possibility for the committees to take -- the same subcommittees to take two or three of those longer term recommendations, give it some thought, work together as a committee with a goal towards February. And we are just choosing that right now. There is a lot of unknowns but with the idea that sometime in February we might reconvene either in person or by telephone. But we would like to come together in February with some notion
of where you might be with those longer term recommendations and, again, a good foundation for the next administration coming in.

So, good work on the long-term recommendations. More work needs to be done. Some of the committees have a whole list but we would suggest that sticking with two or three for now would be the good approach.

Catherine, do you want to add anything? Or does anyone have any comments on that?

VICE CHAIR SMITH: Yes, I think that is the goal is to keep the momentum moving and try to help start the next administration with our best thinking.

You know one other thing we have talked about is, and maybe we can spend just a minute on this right now, are there ideas that aren't necessarily in those subcommittees that we want to surface, that we could then determine which subcommittee might be appropriate to assign it to or some other methodology so that we think broadly.
If not, I think we are very comfortable. The subcommittees have done a great job and there is plenty of fodder out there for them to do their work. I just wanted to ask that one question.

CHAIR GARVEY: Any comments?

MS. MCGUIRE: So, I brought this up last time and I want to emphasize again about bona fide service providers to have a good representation of this country. So, when we were talking to the investors for our Texas-China Investment Summit, I asked the question you know what kind of experience do you have to have to come into the U.S. And multiple people told me that they had bad taste because some of the people represented even five initiatives has been going to them and making lots of promises, took their money, put their children in less qualified schools, and not getting their visa. So, they said so we are looking at Australia, and at Britain, and other countries because we didn't have good taste, dealing with the service providers.
So, it is kind of boiled over almost how we qualify these service providers. How do we make sure you have the right representation of the investment community in this country when they interface with foreign investors?

So, last time I brought up an idea about have certified agencies kind of go out and make sure you qualify these service providers so you have a certified service providers list about SelectUSA website so people go to them first. And so they are legitimate, they are credible, and so they are not there to go out to get short-term profit. So, that is one thing I still want to bring it up and think about it.

CHAIR GARVEY: Thank you. On what committee would you see that?

MS. MCGUIRE: On Ecosystem.

(Simultaneous speaking.)

CHAIR GARVEY: So, would you see them as part of an ecosystem?

MS. MCGUIRE: That's a good idea, yes,
for service providers.

CHAIR GARVEY: Yes.

MR. MCDONALD: I guess maybe a big picture statement is that the impact that the President had in stating an export goal. When he started, the administration kicked off a number of initiatives at Brookings and others that we all participated in that drove a lot of thought leadership and activity that I think has increased awareness across the country.

I think a recommendation at a higher level would be that would quantify the market opportunities bring in more foreign direct investment, try to quantify that as an opportunity for the next administration and put some sort of stake in the ground so that we are leading the witness a little bit to perhaps a goal statement that would then require an execution strategy behind it.

Having lived through that, I think that had an enormous impact and we did not include
foreign direct investment at that time and it could now that we have built this platform and infrastructure.

MR. SPIEGEL: I would agree with that. I mentioned that in my preamble but I think it did rally a lot of support.

CHAIR GARVEY: And broadening it at this point now is a good suggestion.

MS. MCLERNON: I would actually add to that. So, President Obama had a Council on Jobs and Competitiveness, you may remember. And there was a working group there on just foreign direct investment. And we actually had a roundtable with, at the time Secretary of State, Hillary Clinton, and all discussed about creating an FDI annual goal. And there was a lot of support at the time during that conversation. That was one of the recommendations of the Council on Jobs and Competitiveness.

So, there is some work there that perhaps Eric our subcommittee can build off of.
CHAIR GARVEY: Good suggestion. Others?

All right, well, I think we have got a path forward and the goal would be February for some sort of a reconvening. If there is anything that changes between now and then, we will certainly be in touch with the committees and let you know.

And with that, I will turn it over to Catherine.

(Simultaneous speaking.)

VICE CHAIR SMITH: We're obviously a little behind in doing our reading but Ken, you have been a great supporter of all of us. So, we just wanted to give you an opportunity to provide a few comments as we close up this meeting.

MR. HYATT: Thank you. It's nice to see you in this context.

Just a couple of thoughts for a person who has been in Commerce it will be seven years in May, I thought I would be here for two.

But on one of my first days, as I was
coming down here, I had a conversation with the
global site selector for a big U.S. international
pharmaceutical company and we were standing,
picking up our children. And I said I am going to
work at Commerce. And he said to me, you know I
have an issue. I said I'm not even in government
yet. And he said no one has ever called on me. No
one has ever talked to me to talk about investing
in the United States. And this country, and this
country, and this country, and this country, and
this country have.

And I remember very quickly, just after
beginning having a conversation with the then Chief
of Staff and a couple of others. And we thought
we had this great idea which was to create such an
organization and then we learned about Aaron, that
it actually existed.

But for someone like me to sit here now
and listen to the quality of the conversation that
was just had around different ways of gathering
data to deliver more value to investors, we have
come an extraordinary path. So, I am so excited
to have listened to this, to have been part of this.

I also get to stay. I am a senior
career. So, I am the Acting Under Secretary and
I will be the Acting Under Secretary in February.
And then I will become the Deputy Under Secretary.
But I am sort of one of those folks who will actually
create transition for you. So, that is part of the
reason I was interested in being here.

I have just a couple of asks. And I
think a February meeting is a great meeting. One
is that we engage with you over these next months
to pull from and we will evaluate the
recommendations. I would like to be able to
deliver by February, have some clarity around what
are some things we want to hit and execute quickly.
So, that is one of the conversations I would like
to have. The teams will look at the
recommendations but what might we might be able to
pull out and what might I, even in my roll, be able
to simply say we hereby agree to execute? All
right? Because some of the data stuff that we are
talking about for me is stuff that we should be able
to pick out.

I think it is a very complicated
question. The recommendations on the data, three
are a set of very hard questions. What data is
actually gathered? What are the sources of the
data? Do we build it? Do we rely upon the private
sector? Is the vision here much more to get people
to put their data into APIs, application program
interfaces, to allow others to search? All I am
saying is there is tremendous complexity in how you
actually execute this.

But so number one is just we continue
the conversation over the next couple of months.
I know the teams will own these recommendations.

Number two, that we should also
continue talking about transition. We will know
in a week or so how all this plays. And then a
number of us will then be in conversations on
transitioning. And I, again, would love to be in
a position -- I will transition the next administration and talk about the interagency difference on foreign direct investment because Jason, eight years ago, his role, they weren't spending a lot of time talking about foreign direct investment. There was no Interagency Working Group.

At the ITA just speaking frankly, our mission was export promotion and enforcing trade laws. Our mission today is export promotion, foreign direct investment promotion, and enforcing our trade laws. So, we have already made a big difference in that it is a part of the fabric of my organization and it wasn't part of the fabric. I was persuading people. Now, it is people are talking about it. How are we rolling it out? So, I would like to just continue that conversation with you.

And then the final piece, obviously, is just if you need us as we go here, we still are working with you. You are also customers and
clients of ours.

And then the final thing I will just say and then turn it back to you is that this topic of one of the one, two, three highest priorities for me in my role. So, within Commerce and within the ITA, how we take this notion of FDI and now continue to drive it into the culture of Commerce and yet every foreign, you know there are 1,500 or so people who report to me all over the world, and more and more of them are thinking about investment promotion. But I really drive that organizationally. This is a big priority.

So, I thank you for your leadership. Thank you for the recommendations and I look forward to the next gen. Of course, thank you, Vinai. Thank you, Aaron. Peggy, you and I have to do sort of do some of this now going forward.

So, again, thank you. I look forward to working with you all.

CHAIR GARVEY: Thank you very much and it is wonderful to hear that you are going to be
part of the transition and we have sort of a continuing thread here.

I was struck by your comments and also Vinai's that the great success that has occurred over the last several years, in a very short time, really, several is probably too long a period to say, but the great success has been due, in large part, to the partnership that you have been able to create with a number of individuals in this room. And I know I speak for all of the committee when I say we applaud you for that and really want to see that continue.

And we will be as engaged as you will let us be over the next several months. This is really, I think, a really critical issue and one that we are really honored to be part of. So, thank you very much.

Vinai, thank you. Peggy, and to the staff, again, to echo the comments that have been expressed, you have been extraordinary. It has been several long conversations. We appreciate it
very much.

MS. PHILBIN: Thank you. I think we all feel, I just want to say for everybody else you have been an extraordinary committee and our people here can attest to that. These committees sometimes are big and cumbersome and they don't always drive this quickly to achievable results.

And this committee has set a standard that we are delighted to be a part of because I think many of the comments, the recommendations, the caring about FDI, I mean we will acknowledge this is new but it is powerful. It is exciting and it has a real impact. And I think that is why we all at this table have a passion for this.

So, thank you for everything you have done. It has been extraordinary.

CHAIR GARVEY: Well, thank you all very much and like the air traffic control system in this country, we are going to finish and land on time.

(Whereupon, the above-entitled matter went off the record at 3:30 p.m.)