



UNITED STATES INVESTMENT ADVISORY COUNCIL

October 31, 2016

The Honorable Penny Pritzker
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Madam Secretary:

The Investment Ecosystem Subcommittee (the “Subcommittee”) of the U.S. Investment Advisory Council (the “Council”) has been focused on identifying recommendations that will foster a climate that improves the ease of identifying opportunities, starting, and growing business investment by creating a community that leverages partnerships, best practices, and technological tools to best support foreign direct investment (FDI).

The Subcommittee’s initial discussions have been centered on identifying and leveraging best practices currently used by state and regional economic development organizations across the country to enhance the delivery of information, client services, and resources available to the U.S. Department of Commerce (the “Department”) and SelectUSA. The Subcommittee affirmed that creating a client management process would enhance transparency and enable states and regions to showcase their respective markets effectively. With more active participation from states and regions, SelectUSA can carry out its important mission to facilitate job-creating business investment into the United States.

Specifically to client services, the Subcommittee recognizes two types of clients of SelectUSA. One subset is executives of foreign-owned enterprises evaluating investing or expanding investments in the United States via greenfield projects, joint ventures, or mergers and acquisitions. The second subset is state and regional economic development organizations that often work side-by-side with SelectUSA to promote their respective regions to prospective foreign investors.

Recommendations:

Harmonize federal, state and regional EDOS’ foreign direct investment attraction objectives and strategies to create a stronger platform to promote the U.S. Prioritizing the deployment of current available resources will maximize the collective outreach efforts to potential foreign investors. Concurrently, expanding SelectUSA investment mission capabilities,

marketing and promotion campaigns, and dedicated tools and staff, will support outreach to potential foreign investors and support state, regional and local EDOs' FDI attraction efforts.

We recognize the tremendous value of SelectUSA and the impact it has had on the investment ecosystem. States and regions have begun to place significant resources to align themselves with SelectUSA, participating in the SelectUSA annual summit, attending international roadshows and other events, and connecting with the global network of Department specialists. The Council recommends SelectUSA continue forward with its ambitious mission, while ensuring that existing resources are deployed in a focused and prioritized manner, and in coordination with state and regional objectives and strategies. We recommend SelectUSA survey states and regions on a bi-annual basis to understand their key objectives and strategies, create frequent touch points aimed at increasing the level of direct communication and improve alignment and, when possible, integration of SelectUSA and EDOs efforts. Additionally, we recommend SelectUSA create a standardized process to share information with state and regional EDOs about the type of investment opportunities investors are seeking. This will increase the visibility of investment opportunities in the United States by providing investors greater access to information that will allow them to thoroughly evaluate locations. We recommend that additional resources be allocated to SelectUSA for the expansion of trade missions, marketing and promotional events, dedicated tools, and staff to expand outreach to enhance FDI attraction efforts.

Optimize the flow of information between SelectUSA, EDOs and potential foreign investors by creating standardized targeted questionnaires; request forms detailing the critical data-points investors need at each stage of the life cycle of their projects; and, develop procedures that allow EDOs, working through SelectUSA, to supply investors with the applicable data and information they seek.

This recommendation stems from the need to improve the level of service provided to potential investors. This can be achieved by better utilizing the available resources of SelectUSA and state, regional and local EDOs, and by strengthening cooperation between stakeholders while maintaining the highest standards of investor confidentiality and geographic neutrality. We recognize that SelectUSA is in a unique position to represent and speak about national economic development topics, federal regulations and characteristics of the nation's economy. Likewise, state, regional and local EDOs are in the best position to address regional and local assets, incentives, programs, market intelligence and opportunities. This Council recognizes that it is a best practice to provide accurate and timely information in response to specific requests by all investors, regardless of the stage of the proposed project. This process provides a format for collecting information from potential investors and acquiring the relevant state and regional information most important to the FDI inquiry. This is particularly important in providing data not captured by currently available federal sources. This will enable SelectUSA to respond to specific client needs, while limiting the burden on SelectUSA, in particular when the clients are still in the early exploratory stages and not ready to directly engage with multiple state and regional entities.

Establish a recommended set of standardized state and regional-level data to be aggregated from EDOs and made accessible to SelectUSA clients. Promote the purpose of the database

and actively pursue data-sharing to encourage inclusion of all states and regions of the country. Initially, the collected data will be warehoused on existing platforms with the goal of creating and maintaining a federally operated database of national and metro-level international business cost comparisons.

This Council recognizes that most state and regional EDOs invest considerable resources in data collection, acquisition and tools to assist clients in their due diligence process. It is recommended that SelectUSA establish a ‘collateral portal’ to collect specific state and regional data and collateral, to be on file for SelectUSA clients. In the interim, we recommend to actively encourage all states and regions to use the existing platform.

This Council recognizes that it is a best practice to present data to clients that offer demographic, labor, tax and business cost comparisons across multiple states and regions. However, it is very difficult and costly for states and regions to provide such comparative analysis against other countries and regions outside of the United States. We recognize that SelectUSA may be able to consult with domestic accounting firms or other resources to assess the feasibility and the cost to procure and maintain this information.

While certain recommendations will require further examination and the allocation of resources, we believe that some items can be achieved in the near-term. Those items requiring additional examination and resources should still be able to move forward by leveraging existing knowledge and projects advanced by other groups and agencies such as the Commerce Data Advisory Council and U.S. General Services Administration, Office of Citizen Services and Innovative Technologies. The Subcommittee would welcome the opportunity to explore next steps related to our recommendations, which may include identifying and cataloguing existing resources and best practices, to further advance the objectives of this Subcommittee.

We thank you for the continued opportunity to serve as members of the U.S. Investment Advisory Council, Investment Ecosystem Subcommittee, and we look forward to the discussion on the merit and impact of this set of recommendations.

Respectfully submitted,



Jane Garvey
Chair



Catherine Smith
Vice Chair



Chris Camacho
Chair, Investment Ecosystem Subcommittee