

RELEASE IN PART
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From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, April 20, 2012 12:58 PM
To: H
Subject: FW: USTR NEWS: United States Concludes Review of Model Bilateral Investment Treaty

And ... finally.

From: Villarreal, Kate [mailto:Kate_S_Villarreal]
Sent: Friday, April 20, 2012 12:06 PM
To: Undisclosed recipients
Subject: USTR NEWS: United States Concludes Review of Model Bilateral Investment Treaty

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For Immediate Release:
April 20, 2012

Contact: Andrea Mead
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United States Concludes Review of Model Bilateral Investment Treaty

The following is the text of a joint statement issued by the Office of the United States Trade Representative and U.S. Department of State.

Begin Text:

Washington, D.C. – Today, the Office of the United States Trade Representative and the U.S. Department of State announced the conclusion of the Administration’s review of the United States’ model bilateral investment treaty (BIT) and the release of the revised 2012 model BIT.

International investment is a significant driver of America’s economic growth, job creation, and exports. The 2012 U.S. model BIT text will help achieve several important goals of the Obama Administration ensuring that U.S. companies benefit from a level playing field in foreign markets, providing effective mechanisms for enforcing the international obligations of our economic partners, and creating stronger labor and environmental protections.

The 2012 model BIT also supports our strategic international commitment to a robust economic agenda. It will play a critical role in ensuring that American firms can rely on strong legal protections when competing for the 95 percent of the world's consumers who live outside the United States, as well as in promoting good governance, the rule of law, and transparency around the world.

Like the predecessor 2004 model BIT, the 2012 model BIT continues to provide strong investor protections and preserve the government's ability to regulate in the public interest. The Administration made several important changes to the BIT text so as to enhance transparency and public participation; sharpen the disciplines that address preferential treatment to state-owned enterprises, including the distortions created by certain indigenous innovation policies; and strengthen protections relating to labor and the environment.

BACKGROUND

Since February 2009, when the Administration initiated a review of the United States' (2004) model BIT to ensure that it was consistent with the public interest and the Administration's overall economic agenda, the Administration has sought and received extensive input from Congress, companies, business associations, labor groups, environmental and other non-governmental organizations, and academics. While revisions to the model BIT do not require Congressional action, negotiated BITs require advice and consent of two thirds of the Senate.

A BIT is an international agreement that provides binding legal rules regarding one country's treatment of investors from another country. The United States negotiates BITs on the basis of a high-standard "model" text that provides investors with improved market access; protection from discriminatory, expropriatory, or otherwise harmful government treatment; and a mechanism to pursue binding international arbitration for breaches of the treaty. High-standard BITs, such as those based on the U.S. model, improve investment climates, promote market-based economic reform, and strengthen the rule of law. The United States has more than 40 BITs in force with countries around the world, and the investment chapters of U.S. free trade agreements (FTAs) contain substantially similar rules and protections. USTR and the Department of State co-lead the U.S. BIT program.

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