



September 19, 2016

The Honorable John Thune
Chairman, Committee on Commerce, Science, and Transportation
United States Senate
Washington, D.C. 20510-6275

Dear Mr. Chairman:

I am writing to express the strong support of the Department of Commerce (Department) for S. 3097, the SelectUSA Authorization Act of 2016, a bill that would authorize SelectUSA, the government-wide program designed to attract and retain investment in the United States.

The Department strongly supports the objective of promoting foreign direct investment (FDI) into the United States and the creation of a permanent federal role through SelectUSA. SelectUSA responds to the need for a sustained and concerted effort to bring the United States closer to the level of investment promotion agencies of other nations that are competing for job-creating business investment in the global economy.

Foreign direct investment helps drive economic growth, job creation, innovation, and exports. In 2015, the stock of foreign direct investment in the United States exceeded \$3.1 trillion dollars. As of 2014, the most recent data available, nearly 6.4 million people in the United States were directly employed by U.S. affiliates of international companies. These U.S. affiliates account for more than one-quarter of U.S. goods exported and spent \$57 billion on U.S. research and development that year.

Although the United States is the leading single destination of FDI, the United States faces competition from other industrialized economies, as well as developing economies. In 2014, the United States captured 22% of global FDI stock, down from nearly 39% in 2000. As noted in the United Nations Conference on Trade and Development report, *The World of Investment Promotion at a Glance*, investment promotion has grown in tandem with the opening of the global economy and increase in FDI. Today virtually every economy in the world has a national institution dedicated to investment promotion. For example, the World Bank Group's Global Investment Promotion Best Practices 2012 report surveyed 189 national investment promotion entities.

SelectUSA works collaboratively across the Federal Government with more than 20 federal agencies through the Interagency Investment Working Group and within the Department to champion the United States as the premier global investment destination in a way that no single U.S. state or local government is able to do alone.

SelectUSA assists U.S. state, local, and regional economic development organizations (EDOs) to compete globally for investment by providing information and counseling to interested investors, a platform for international marketing, and high-level advocacy for U.S. states and municipalities competing against foreign locations. SelectUSA, together with United States and Foreign Commercial Service overseas staff, assists companies that are considering expanding or establishing operations in the United States by supplying credible, unbiased, and detailed data and analytics; creating platforms optimized to establish and build business relationships; providing a better understanding of the federal regulatory system; and identifying appropriate contacts at federal and state agencies to streamline the process.

The Department strongly supports enactment of the SelectUSA Authorization Act of 2016. If enacted, the bill would ensure continuation of an investment promotion agency for the United States that will allow this country to remain the number one most attractive location for investment for years to come.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this letter from the viewpoint of the Administration's program.

Very truly yours,



Kelly R. Welsh

cc: The Honorable Bill Nelson
Ranking Member