

April 11, 2022

William Shpiece
Chair of the Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20506

Via Electronic Submission

RE: *Comments on the Proposed Fair and Resilient Trade Pillar of an Indo-Pacific Economic Framework* (Docket Number USTR-2022-0002)

Dear Mr. Shpiece:

On behalf of Autos Drive America's members, we appreciate the opportunity to submit the following comments regarding the "*Proposed Fair and Resilient Trade Pillar of an Indo-Pacific Economic Framework*" (Docket Number USTR-2022-0002).¹ Autos Drive America represents 13 international automakers and suppliers operating in the United States. Our mission is to promote and protect a strong and successful U.S. automotive industry. We work to advance policies that foster and support American jobs, trade, and investment and provide consumers with the vehicle options they desire both now and in the future. As the voice of international automakers in the United States, Autos Drive America educates stakeholders about the benefits of open trade and works to reduce trade barriers and ensure a level playing field for all auto manufacturers with U.S. operations.

Autos Drive America strongly supports deeper U.S. engagement in the dynamic Indo-Pacific region through a robust Indo-Pacific Economic Framework (IPEF) that achieves meaningful outcomes in breaking down trade barriers and establishing effective mechanisms for cooperation and coordination on the critical economic issues facing the region. With 1.5 billion people in the Indo-Pacific region projected to join the middle class this decade, the market presents significant opportunities for American goods and services. The Indo-Pacific already accounts for \$1.75 trillion in trade with the United States and for 30 percent of U.S. goods and services exports, supporting millions of American jobs.

Modern automotive vehicles continue to become technology dependent, both traditional internal combustion engine vehicles and newer hybrid and electric vehicles. Connected and autonomous vehicles and assisted driving technologies are and will increasingly become important to the industry, implicating issues relating to data transfers, data localization, cyber-security and privacy. For the industry to prosper in the United States and throughout the Indo-Pacific region, these issues need to be addressed and coordinated among our Indo-Pacific partners, both through digital economy disciplines and standards-setting coordination. Such disciplines would also benefit supply chains that are increasingly digitized and connected. We therefore urge both USTR and the Commerce Department to push for meaningful outcomes in this area.

Autos Drive America members also support further work on trade facilitation issues to reduce costs of trading and to help mitigate the delays at the border and other supply chain challenges our industry and the global economy generally have been facing. The IPEF negotiations should

¹ 87 Fed. Reg. 13,789 (March 10, 2022).



include work to accelerate implementation of the WTO Trade Facilitation Agreement and development of further disciplines and tools to help overcome bottlenecks at the border.

In addition, as Commerce and USTR address issues of supply chain resiliency, they should do so with an appreciation of the central role that trade must continue to play. Our interdependence will continue, and while development of domestic capacity in semiconductors and other products will be an important feature of improved supply chain resilience, so too will deeper engagement with our trusted trading partners and other allies. The IPEF negotiations will provide an important opportunity for coordinating and deepening our trade ties with our Indo-Pacific partners. In this regard, Autos Drives America notes that while the current vision for the trade pillar of the IPEF does not include tariffs or other topics typically included in comprehensive trade agreements, we believe that pursuing agreement on these topics at the earliest opportunity is essential to creating deeper economic ties to the region. We urge you to begin talks on market access, including tariff reductions, to promote the export of more U.S. made automobiles.

Autos Drive America appreciates the opportunity to provide these comments on the trade pillar of the IPEF.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer M. Safavian".

Jennifer M. Safavian
President & CEO
Autos Drive America