CHAMBER OF PROGRESS

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Promoting Supply Chain Resilience

My name is Todd O'Boyle and I serve as Senior Director for Technology Policy at Chamber of Progress, a tech industry coalition committed to ensuring all Americans benefit from technological progress. Our corporate partners include companies like Amazon, Google, and Apple, but our partners do not have a vote on or veto over our positions. Thank you for the opportunity to share our thoughts on supply chain resilience today.

Supply chain resilience has become imperative in today's global and interconnected business environment. The ability to withstand and swiftly recover from disruptions such as natural disasters, geopolitical tensions, cyber-attacks, or supplier failures can mean the difference between maintaining operations and devastating losses for merchants. More importantly, they empower consumers by ensuring they can access the goods they need - from healthcare to housewares. Therefore, public policy must enable resilient supply chains, including by removing barriers to the free flow of goods and services for the benefit of American consumers and businesses.

Barriers to Trade

First: Globally, we see several barriers to trade. Countries like India require American companies to seek a license to distribute hardware, thus creating friction in shipping. This is a critical area where the American government can and should defend American businesses.

While dismissing such barriers to trade as small-bore or simply granting India "policy space" to evaluate trade on its own terms is tempting, we should not mistake the impact on our supply chains. At a time of rising global geopolitical competition, diversifying supply chains into countries like India is a good thing. It should be encouraged as a matter of resiliency. However, before American businesses can consider spending the billions of dollars necessary to invest deeply into countries like India, they need to know that the Administration will be ready to go to bat for them. Supply chain resiliency, in other words, depends in no small part on the USTR and others defending American businesses abroad.

Strong guidelines for digital trade are essential

Now I turn to digital trade. Digital goods and services include everything from the next great app to Hollywood IP. So strong guidelines for digital trade and data retention are all the more important as advances in artificial intelligence stand to digitize our economy even further. We reiterate our disappointment with the Administration's October 2023 decision to withdraw its support of the *Joint Statement Initiative* (JSI) on digital trade, data retention and more.

Recent comments from the State Department encourage us that the Administration has not completely given up on digital trade, which is good: the JSI included important language on cross-border data flows and preventing data-localization mandates. Limiting cross-border data flows is particularly harmful to the American start-up ecosystem.

It is essential that the US re-engage in digital trade negotiations, not only because the American digital economy supports 18 million jobs but also because it impacts supply chain resilience. Digitization yields efficiency in operations, which in turn enables more agile supply chains. More broadly, American software companies promote the kinds of organization and communications that make logistical coordination more flexible.

Customs

Finally, resilient supply chains depend in part on clear, rational, and efficient customs procedures. The US government must be a leader here and also lean on other governments to ensure that goods are not snarled in foreign ports through inefficient customs handling.

This is but one example of what we believe the USTR should be doing across the board: assidously identifying and removing barriers to the success of American businesses abroad.

Thank you and I look forward to your questions.