



GLOBAL
BUSINESS
ALLIANCE

Investing in America

January 23, 2024

The Honorable Janet Yellen
Secretary of the U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

I am writing with respect to your role as the Chair of the Committee on Foreign Investment in the United States (CFIUS). I would like to thank you for your longstanding commitment to [America's open investment policy](#), which has helped our country remain the most competitive location for cross-border investment and related job creation. Given the rhetoric being espoused from across the political spectrum in response to the announced acquisition of U.S. Steel by Nippon Steel, I urge you to remain steadfast in applying the time-tested principles of CFIUS – focusing only on actual facts to identify and mitigate potential national security risks.

As you may recall, the Global Business Alliance (GBA) represents nearly 200 of the most well-known international companies in the world, which are headquartered in countries that are long-time friends and allies of the United States and are major U.S. employers.¹ On average, GBA members each employ approximately 12,000 Americans. GBA advocates for policies that will encourage international companies to grow their U.S. operations, increase American employment and support U.S. economic growth.

Foreign-headquartered companies have invested over \$5 trillion into the U.S. economy, directly employing 7.9 million U.S. workers and annually reinvesting more than \$200 billion of their profits back into their U.S. operations. These companies are making things in America, employing 2.8 million manufacturing workers, accounting for 23 percent of America's total manufacturing workforce. In fact, over the past five years, international companies have created more than a quarter-million new manufacturing jobs in the United States, compared to overall U.S. manufacturing jobs, which remained flat during the same time. And American workers at foreign-headquartered companies are not only producing goods here for U.S. customers; they also produce 23 percent of all U.S. goods exports, shipping \$412 billion to customers around the world annually.

Congress codified the authorities that guide CFIUS in the 1980s and clearly affirmed the importance of remaining open to foreign investment while focusing narrowly -- and strictly -- on national security-related threats, not economic isolationism. That was the standard reaffirmed when Congress made reforms in the mid-2000s and when Congress passed the Foreign Investment Risk Review Modernization

¹ A full list of GBA members can be found here: <https://globalbusiness.org/about-us/membership>.

Act (FIRRMA) in 2018. In his September 2022 Executive Order on CFIUS's authorities, President Biden further endorsed this standard by stating, “The United States commitment to open investment is a cornerstone of our economic policy and provides the United States with substantial economic benefits...”

Unfortunately, some elected officials are now advocating to ignore that standard and jeopardize the legitimacy of the Committee.

Like most advanced economies, the vast majority of global investment enters the United States through mergers and acquisitions. In 2022, 95 percent of new FDI came in that form.² Representing a key sector of the U.S. business community, GBA supports a strong and well-resourced CFIUS process to protect our national security – including being a vocal proponent of FIRRMA when it was passed by Congress.

However, CFIUS should never become a tool for garnering political favor or allowing domestic competitors to achieve something they cannot do in a competitive market. Efforts to delay or derail CFIUS reviews could have far-ranging consequences, damaging America’s investment climate.

A critical factor in the attraction of the United States to international companies is our country’s commitment to the rule of law and the predictability and stability of our regulatory framework. Under your tenure, the Committee’s commitment to conducting timely reviews focused on potential national security threats has been clear. I urge you to maintain this standard and continue to resist efforts designed to unduly influence the Committee’s work.

Thank you,

A handwritten signature in blue ink, appearing to read 'Nancy McLernon', with a stylized flourish at the end.

Nancy McLernon
President and CEO
Global Business Alliance

² <https://www.bea.gov/news/2023/new-foreign-direct-investment-united-states-2022>