

March 29, 2017

Dear Mr. President Trump and Mr. Prime Minister Grindeanu:

With the recent elections in both the United States and Romania, 2017 offers a timely opportunity to renew and strengthen bilateral economic relationships between the two countries. We, as representatives of the American business and policy community, encourage you, as the heads of both governments, to leverage existing initiatives and the maintenance of progress that our commercial cooperation has achieved in the recent past, and to forge an ambitious, mutually productive economic engagement agenda for the near future.

Specifically, as both governments begin their new administrations, it is critical to set an agreed bilateral framework for the development of our economic and commercial relations in 2017 and beyond. We encourage both governments to focus on five priorities:

1. Continued business environment improvements in Romania
2. High-level bilateral government engagement and dialogue on commercial matters
3. Greater cooperation in developing strategic security capabilities, including energy
4. Support for a Romanian education and health system that strengthens economic competitiveness; and
5. Assistance for pioneer Romanian investments in the United States

Specific implementing actions for these priorities are outlined in the attached “Roadmap to Prosperity.”

Our optimism for enhancing U.S.-Romanian economic and commercial relations is based on recent positive Romanian actions that have resulted in impressive economic trends. Romania reached the highest GDP growth rate in the European Union last year. Over the past few years, Romania has improved its performance in ease of doing business and global competitiveness. Over the past five years, the citizens of Romania have supported unprecedented efforts to combat corruption, strengthen the rule of law, and ensure good governance. The most recent Romanian governments have continued to prioritize improvements to the country’s business environment, including better predictability in regulations and enhanced effectiveness and transparency in public procurement.

Accordingly, U.S. companies are increasingly looking to invest and do business in Romania. American direct investment in Romania amounts to \$2.6 billion overall in 2015. This is far less than the market potential and we believe that a new impulse should be given to expanding American economic presence in Romania and enabling mutual growth and business development. As new industry sectors are emerging, creating strong investment opportunities in defense, energy, information technology, automotive, agricultural, and health sectors, American business is best positioned to tap into this Romanian economic revival and to create value and generate prosperity for both countries.

Romania’s strategic security, including defense, cybersecurity, and energy independence, also offer key opportunities for U.S.-Romania cooperation. Since joining NATO in 2004, Romania has proved itself a key ally of the United States in Europe and globally. Romania is currently contributing troops in six international operations and peace-keeping missions, including ISAF in Afghanistan. Romanian leadership has committed

to increasing defense spending up to NATO's standard of 2 percent of GDP. The country remains an important anchor for the U.S. and the trans-Atlantic alliance in the Eastern European region, considering Romania's unique status as a politically-reliable, strategically-situated state possessing substantial regional leadership potential.

A bilateral economic and commercial agenda based on the priorities outlined here will lead to a mutually beneficial increase in jobs and investment in both the United States and Romania. We are eager to play a productive role in assisting both governments to implement these priorities over the coming months and years.

Signed,

A handwritten signature in black ink, appearing to read 'Eric Stewart', with a long horizontal line extending to the right.

Eric Stewart
President
American-Romanian Business Council

A handwritten signature in black ink, appearing to read 'Peter Doran', with a long horizontal line extending to the right.

Peter Doran
Executive Vice President
Center for European Policy Analysis

U.S.-Romania Relations: Roadmap to Prosperity

With the recent elections in both the United States and Romania, it is critical to set an agreed bilateral agenda for the development of our economic commercial relations in 2017 and beyond. The representatives of the American business and policy community in Washington, DC have identified five priorities for leveraging the progress that our commercial cooperation has achieved in the recent past.

1. **Continued business environment improvements in Romania:** Over the past two years, the Romanian Government has successfully pursued multiple “Action Plans” for the improvement of the business climate. Further commitment to strengthening the rule of law and an independent judiciary would also create more confidence among investors. We encourage the new Government to embrace new Action Plans, as they create an accountable framework for the introduction of (1) increased transparency and predictability in the private marketplace; and (2) increased administrative capacity of government bodies at both the central and local level. Both are key to creating an environment for private enterprise to thrive and create value. The U.S. Government should likewise continue to play a key role providing guidance and assistance to the Romanian Government on the implementation of already existing programs, such as Regulatory Impact Assessments; legislative consultation and transparency; corruption-free and efficient public contracting and procurement; and open data systems in support of these Action Plans.
 - **Action:** The new Romanian Government should publicly announce its support to continue work on these “Action Plans” and commit to new efforts to improve the business climate, including in the areas of infrastructure; public-private partnerships; capital markets; and reforming the state-owned sector.
 - **Action:** The U.S. Secretary of Commerce should continue to personally engage with the Romanian Prime Minister and provide resources for the U.S. International Trade Administration to conduct workshops and technical guidance in Romania on business environment improvements. In cooperation with Romanian counterparts, the Secretary should identify areas in which other public or private actors can provide knowledge and expertise in key areas of policy development and implementation.

2. **High-level bilateral government engagement and dialogue on commercial matters:** American companies pursuing business opportunities in Romania benefit greatly from the continued engagement between U.S. and Romanian officials at the highest levels possible. High level engagement also facilitates a proper framework to discuss bilateral policy development and the adoption of mechanisms that help bring mutual benefits to our companies, employees and the communities we serve in Romania and the United States.
 - **Action:** U.S. Secretary of Commerce and Romanian Prime Minister should launch, as soon as practicable a collaborative process to explore new investment and trade opportunities and discuss innovative mechanisms of economic cooperation. This process should culminate with a high-level U.S.-Romania Business Summit in Bucharest later in the year.
 - **Action:** The Government of Romania should ensure regular visits from officials to meet with their counterparts in the U.S. Government and the American private sector. The governments should institutionalize a regular government-to-government dialogue on bilateral economic and commercial matters.
 - **Action:** The Government of Romania should take steps to improve their promotion of Romania as a destination for investment from American companies. Both Embassies should cooperate on a Romanian investment and trade roadshow in the United States.

3. Greater cooperation in developing strategic security capabilities, including energy:

Strengthened security cooperation between Romania and the United States is crucial to preserving stability and prosperity in the Black Sea region. The two countries should work together to improve economic development across the region, and to support technological exchanges that advance innovation and ensure resilience in the face of security threats.

- **Action:** The Black Sea natural gas offshore exploration is one of the most important prospects for Romania's energy security in the coming years. The U.S. should use its expertise to support Romania in its efforts to develop a forward looking energy security strategy. Romania should ensure a transparent, predictable and fair regulatory and fiscal framework when it comes to natural resources that would encourage and retain investors.
- **Action:** Romania's technological prowess and capabilities are well known and further investment in cybersecurity and partnerships in this area will contribute to the Euro-Atlantic Alliance's preparedness to deal with asymmetrical threats. The two governments should increase efforts to ensure better information sharing and adoption of new technology and practices, undertake common exercises and simulations, and harmonize rules about companies' access on both markets.
- **Action:** As Romania moves closer to meeting an important NATO commitment by allocating 2 percent of its GDP to the defense budget, the two governments should explore further opportunities to upgrade their bilateral strategic framework and assess the potential economic impact of this important development. They should examine appropriate ways to increase the technological advancement of the Romanian defense industries through high-level engagement between defense officials and new industry partnerships. The Romanian government should design defense tenders so as to ensure the highest level of competition among U.S. and other allied nations' companies.

4. Building a Romanian health and education system that strengthens economic

competitiveness: Human capital is essential for increasing Romania's competitiveness. American companies can play a leading role in supporting the wellness and education necessary for an innovation-based economy. The U.S. and Romanian governments should pursue a program to further support cooperation between American industry and Romanian universities and technical colleges on the education, training, and internships necessary to give young Romanians the necessary skills for high value jobs. Likewise, the Romanian government should focus on the strategic importance of a healthy workforce to growing its economy.

- **Action:** The Romanian Government should identify its universities' centers of excellence and their role in regional industrial clusters and design a guide to foreign industry when seeking academic partnerships.
- **Action:** The two governments should form an informal, interagency task force to implement further educational exchange programs, as well as early career mobility programs for both young Romanians and Americans wishing to gain professional experience in the United States and Romania, respectively.
- **Action:** The Romanian Government should continue to pursue cross-ministerial dialogues with health care stakeholders to ensure Romanian patients maintain access to the best treatments and therapies.

- 5. Assisting pioneer Romanian investments in the United States:** The continued growth of sophistication in Romania’s economy will soon produce Romanian companies looking to expand to the United States. We encourage the Romanian Government to partner with agencies such as SelectUSA to shepherd in the first generation of Romanian investors in the United States.
- **Action:** Romania’s Ministry of Economy should identify potential “national champion” companies ready to explore the U.S. market and assist them in connecting with the services provided by SelectUSA and U.S. state economic development agencies.
 - **Action:** The U.S. Commercial Service should work together with Romanian counterparts to identify the main obstacles Romanian companies face when entering the U.S. market and create a set of guidelines to assist Romanian investors.
 - **Action:** SelectUSA should focus on Romania as a target to recruit companies to attend the SelectUSA Summit by 2018.