Thank you, Chair.

The U.S. Council for International Business represents an active U.S. membership base of some 300 multinational companies, law firms and business associations. We stand behind, support and work to actively implement the UN Guiding Principles on Business & Human Rights and its Protect, Respect, and Remedy framework, which received unanimous support of the UN Human Rights Council when adopted in 2011.

We welcome the chair’s reiteration yesterday of the state duty to protect the human rights of its citizens under international law and the UNGPs. That is particularly important because every business, irrespective of size, is domiciled a country with a government responsible for passing laws that meet international standards and then effectively enforcing them.

The OECD has confirmed that small and medium enterprises and microenterprises make of up over 90% of business in the world. It is therefore **essential** – and as the UNGPs affirm – that any successful instrument on business & human rights should make clear that the responsibility to respect human rights applies to all businesses – irrespective of size.

We also agree with the governments in the room that have asked that state owned enterprises, given their critical role in many developing and emerging economies, should also be covered in this proposed instrument.

States – as legal persons in international law – are substantively and regularly active in transnational commerce. States buy commodities such as steel, coal, silicon, or even coffee and fruit. States plan, direct, control and design transnational investment, and also provide fee-based services, such as logistics, provision of medical staff, and other examples. These are business activities which, under this draft text, are undertaken through contractual relationships, and if the finances underpinning those transactions are processed electronically, then those transactions will most likely be transnational actives – and therefore in scope.

Our concerns with the text of this proposed treaty are numerous, and we note and recognize the concerns raised by so many States yesterday and today regarding the breadth and ambiguity of preamble, Article 1 on definitions, and Article 2 on statement of purpose, Article 3 on scope, and Article 4 on the rights of victims.

While too numerous to repeat them all now, States here have raised questions regarding foundational concepts key for any successful conclusion of a consensus text, such as who would be protected, what rights would be protected, and where do the protections apply. Statements yesterday and today make clear that there is unfortunately no consensus among Governments on difference between the terms “victim” and “alleged victims,” nor is there consensus among States on what the phrase “all human rights” actually means. Similarly, States raised concerns regarding the vague proposal to define business activities as "any" means of economic activity “undertaken by natural or legal persons" including by "electronic means.”

We believe the current drafting of these key elements of this proposed text are problematic, worryingly risk undermining the global consensus achieved with the UNGPs, and agree with the States here and you, Chair, who have called for much more thought and discussion of the text.