

## **The Political Motivations of the United States' Bilateral Investment Treaty Program**

### **Supplementary Materials**

These supplementary materials provide five pieces of supporting information. Part A provides a list of Bilateral Investment Treaties signed by the United States. Part B provides information on the Senate consideration of Bilateral Investment Treaties signed by the United States. Part C lists the Congressional Hearings that were identified as discussing Bilateral Investment Treaties. Part D provides summary statistics and a correlation matrix for the independent variables used to predict BIT formation. Part E reports the results of additional robustness checks.

### A. Bilateral Investment Treaties Signed by the United States

BIT Partner	Signed	Into Effect	BIT Partner	Signed	Into Effect
Panama†	10/27/82	05/30/91	Ecuador	08/27/93	05/11/97
Senegal	12/06/83	10/25/90	Belarus	01/15/94	NA
Haiti	12/13/83	NA	Jamaica	02/04/94	03/07/97
D.R. Congo	08/03/84	07/28/89	Ukraine	03/04/94	11/16/96
Morocco	07/22/85	05/29/91	Georgia	03/07/94	08/17/97
Turkey	12/03/85	05/18/90	Estonia	04/19/94	02/16/97
Cameroon	02/26/86	04/06/89	Trinidad & Tobago	09/26/94	12/26/96
Egypt	03/11/86	06/27/92	Mongolia	10/06/94	01/01/97
Bangladesh	03/12/86	07/25/89	Uzbekistan	12/16/94	NA
Grenada	05/02/86	03/03/89	Albania	01/11/95	01/04/98
Rep. Congo	02/12/90	08/13/94	Latvia	01/13/95	12/26/96
Poland	03/21/90	08/06/94	Honduras	07/01/95	07/11/01
Tunisia	05/15/90	02/07/93	Nicaragua	07/01/95	NA
Sri Lanka	09/20/91	05/01/93	Croatia	07/13/96	06/20/01
Czech Republic	10/22/91	12/19/92	Jordan	07/02/97	06/12/03
Slovakia	10/22/91	12/19/92	Azerbaijan	08/01/97	08/02/01
Argentina	11/14/91	10/20/94	Lithuania	01/14/98	11/22/01
Kazakhstan	05/19/92	01/12/94	Bolivia	04/17/98	06/06/01
Romania	05/28/92	01/15/94	Mozambique	12/01/98	03/03/05
Russia	06/17/92	NA	El Salvador	03/10/99	NA
Armenia	09/23/92	03/29/96	Bahrain	09/29/99	05/30/01
Bulgaria	09/23/92	06/02/94	Uruguay	11/04/05	11/01/06
Kyrgyzstan	01/19/93	01/12/94	Rwanda	02/19/08	01/01/12
Moldova	04/21/93	11/25/94			

- This table lists all BITs signed by the United States as of 12/31/2013.
- “NA” is used for BITs that have been signed but have not gone into effect.
- † an amended BIT was signed June 1, 2000 and went into effect May 14, 2001.
- Source: <<http://www.state.gov/e/eb/afd/bit/117402.htm#7>> (last visited 12/31/2013).

## B. Senate Consideration of Bilateral Investment Treaties

Country	Introduced	Passed	Country	Introduced	Passed
D.R. Congo	3/25/1986	10/20/88	Jamaica	9/19/1994	6/27/96
Morocco	3/25/1986	10/20/88	Belarus	9/23/1994	6/27/96
Senegal	3/25/1986	10/20/88	Estonia	9/26/1994	6/27/96
Turkey	3/25/1986	10/20/88	Ukraine	9/26/1994	6/27/96
Cameroon	5/28/1986	10/20/88	Mongolia	6/26/1995	6/27/96
Bangladesh	5/30/1986	10/20/88	Georgia	7/10/1995	6/27/96
Egypt	6/2/1986	10/20/88	Latvia	7/10/1995	6/27/96
Grenada	6/3/1986	10/20/88	Trinidad & Tobago	7/11/1995	6/27/96
Panama	3/25/1986	10/28/90	Albania	11/6/1995	6/27/96
Poland	6/19/1990	10/28/90	Uzbekistan	2/28/1996	10/18/00
R. Congo	2/19/1991	8/11/92	Bahrain	5/23/2000	10/18/00
Tunisia	5/17/1991	8/11/92	Bolivia	5/23/2000	10/18/00
Sri Lanka	8/20/1991	8/11/92	Croatia	5/23/2000	10/18/00
Czech Republic	6/2/1992	8/11/92	El Salvador	5/23/2000	10/18/00
Slovakia	6/2/1992	8/11/92	Honduras	5/23/2000	10/18/00
Russia	7/28/1982	8/11/92	Jordan	5/23/2000	10/18/00
Kazakhstan	9/7/1993	10/21/93	Mozambique	5/23/2000	10/18/00
Romania	8/3/1992	11/17/93	Lithuania	9/5/2000	10/18/00
Argentina	1/19/1993	11/17/93	Azerbaijan	9/12/2000	10/18/00
Bulgaria	1/19/1993	11/17/93	Uruguay	4/4/2006	9/12/06
Armenia	9/8/1993	11/17/93	Rwanda	11/20/2008	9/26/11
Kyrgyzstan	9/8/1993	11/17/93	Haiti	3/26/1986	NA
Moldova	9/8/1993	11/17/93	Nicaragua	6/26/2000	NA
Ecuador	9/10/1993	11/17/93			

- This table lists all BITs signed by the United States as of 12/31/2013.
- “NA” is used for BITs that have been signed but have not gone into effect.
- The date “Introduced” is the date that the treaty was introduced to the Senate.
- The “Passed” date is the date that each BIT was approved by the Senate.
- All BITs were passed by voice votes.

### C. Congression Hearings on Bilateral Investment Treaties

Date	Committee	Topic
9/9/80	House Subcomm. on Consumer Protection and Finance of the Comm. on Interstate and Foreign Commerce	Hearing on "Reciprocity in Investment"
10/28/81	Senate Subcomm. on International Economic Policy of the Comm. on Foreign Relations	Hearing on "U.S. Policy Toward International Investment"
2/23/82	House Subcomm. on International Economic Policy and Trade of the Comm. on Foreign Affairs	Hearing on "Foreign Investment in the United States"
10/16/86	Senate Floor Debate (132 Cong. Rec. S32616)	Bilateral Investment Treaties
9/18/90	Senate Comm. on Foreign Relations	Hearing on "Bilateral Investment Treaties, Treaty Docs. 99-14 and 101-18"
10/9/90	Senate Comm. on Foreign Relations	Report on "Bilateral Investment Treaty with Panama and Economic Relations Treaty with Poland" (S. Exec. Rep. 101-34)
8/4/92	Senate Comm. on Foreign Relations	Hearing on "Bilateral Investment Treaties with the Czech and Slovak Federal Republic, the Peoples' Republic of the Congo, the Russian Federation, Sri Lanka, and Tunisia, and Two Protocols to Treaties with Finland and Ireland"
9/10/93	Senate Comm. on Foreign Relations	Hearing on "Bilateral Investment Treaties with: Argentina, Treaty Doc. 103-2; Armenia, Treaty Doc. 103-11; Bulgaria, Treaty Doc. 103-3; Ecuador, Treaty Doc. 103-15; Kazakhstan, Treaty Doc. 103-12; Kyrgyzstan, Treaty Doc. 103-13; Moldova, Treaty Doc. 103-14; and Romania, Treaty Doc. 102-36"
11/5/93	House Subcomm. on Commerce, Consumer, and Monetary Affairs of the Comm. on Government Operations	Hearing on "Trade and Investment Between the United States and Russia/Commonwealth of Independent States (CIS)"
2/10/95	House Subcomm. on Trade of the Comm. on Ways and Means	Hearing on "H.R. 553, the Caribbean Basin Trade Security Act"
11/30/95	Senate Comm. on Foreign Relations	Hearing on "Bilateral Treaties Concerning the Encouragement and Reciprocal Protection of Investment"
9/13/00	Senate Comm. on Foreign Relations	Hearing on "Consideration of Pending Treaties"
4/1/04	Senate Comm. on Foreign Relations	Hearing on "Economic Treaties," printed in S. ExecRpt 108-014, "Convention on International Interests in Mobile Equipment and Protocol on Matters Specific to Aircraft Equipment"
6/12/06	Senate Comm. on Foreign Relations	Hearing on "U.S.-Uruguay Bilateral Investment Treaty," printed in S. Exec. Rpt. 109-17.
11/10/09	Senate Comm. on Foreign Relations	Hearing on "Treaties," printed in 2010 S. Exec. Rpt. 111-3 on "Tax Convention with Malta"
9/25/13	Senate Subcomm. on National Security and International Trade and Finance of the Comm. on Banking, Housing, and Urban Affairs	Hearing on "Trade and Financial Services in India"

### D. Summary Statistics & Correlation Matrix

	Raw Data			Imputed Data		
	Obs.	Mean	St. Dev.	Obs.	Mean	St. Dev
<b>Military Aid</b>	5170	8.49	7.12	5170	8.49	7.12
<b>Former Communist</b>	5170	0.13	0.34	5170	0.13	0.34
<b>US Exports</b>	5128	5.08	2.81	5170	5.07	2.81
<b>US FDI Outflow</b>	4854	4.08	3.78	5170	6.70	3.84
<b>Investment Protection</b>	3152	7.08	2.53	5170	6.70	2.48
<b>Polity Score</b>	4369	1.32	7.29	5170	1.07	7.18
<b>GDP Per Capita</b>	4888	8.39	1.31	5170	8.42	1.31
<b>Open Capital Accounts</b>	4478	-0.00	1.53	5170	-0.02	1.54
<b>Prior BITs</b>	5170	10.31	17.37	5170	10.31	17.37

	<b>Military Aid</b>	<b>Former Communist</b>	<b>US Exports</b>	<b>US FDI Outflow</b>	<b>Investment Protection</b>	<b>Polity Score</b>	<b>GDP Per Capita</b>	<b>Open Capital Accounts</b>	<b>Prior BITs</b>
<b>Military Aid</b>	1.00								
<b>Former Communist</b>	0.04	1.00							
<b>US Exports</b>	0.25	-0.05	1.00						
<b>US FDI Outflow</b>	0.19	-0.12	0.73	1.00					
<b>Investment Protection</b>	0.14	-0.10	0.25	0.21	1.00				
<b>Polity Score</b>	0.33	0.08	0.27	0.29	0.24	1.00			
<b>GDP Per Capita</b>	-0.11	-0.08	0.41	0.35	0.39	0.12	1.00		
<b>Open Capital Accounts</b>	0.03	-0.07	0.15	0.15	0.36	0.04	0.40	1.00	
<b>Prior BITs</b>	<b>0.11</b>	<b>0.08</b>	<b>0.41</b>	<b>0.31</b>	<b>0.25</b>	<b>0.15</b>	<b>0.16</b>	<b>0.11</b>	<b>1.00</b>

## E. Additional Robustness Checks

### Estimating Likelihood of BIT Formation – Without Investment Risk

	(1) Base Model	(2) With Controls
Military Aid	0.053** (0.023)	0.045* (0.027)
Former Communist	2.527*** (0.445)	2.345*** (0.465)
US Exports	0.115 (0.109)	0.080 (0.118)
US FDI Outflows	-0.030 (0.090)	-0.061 (0.102)
Polity Score		0.034 (0.028)
GDP Per Capita		-0.007 (0.152)
Open Capital Acts.		0.026 (0.153)
Prior BITs		0.034** (0.016)
Observations	3,735	3,735

- Robust standard errors clustered on country in parentheses.  
 - All models include  $Time$ ,  $Time^2$ , and  $Time^3$ .  
 - \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

**Estimating Likelihood of BIT Formation – Without Imputed Data**

	(1) Base Model	(2) With Controls
Military Aid	0.047** (0.024)	0.076* (0.043)
Former Communist	2.470*** (0.427)	1.160* (0.675)
US Exports	0.163 (0.102)	0.187 (0.142)
US FDI Outflows	-0.081 (0.076)	-0.148 (0.118)
Polity Score		0.026 (0.033)
GDP Per Capita		0.012 (0.198)
Open Capital Acts.		0.114 (0.154)
Prior BITs		0.019 (0.017)
Observations	3,425	2,396

- Robust standard errors clustered on country in parentheses.  
- All models include  $Time$ ,  $Time^2$ , and  $Time^3$ .  
- \*p<0.1, \*\*p<0.05,\*\*\*p<0.01.

**Estimating Likelihood of BIT Formation – Interaction while Including Control Variables**

	(1)	(2)	(3)	(4)
	Interacting Military Aid	Interacting US Exports	Interacting US FDI Outflows	Interacting Invest. Protect.
Military Aid	0.098** (0.042)	0.055** (0.027)	0.051* (0.027)	0.055** (0.028)
Former Communist	3.279*** (0.758)	3.276*** (0.751)	2.428*** (0.565)	3.071*** (0.868)
US Exports	0.062 (0.119)	0.132 (0.125)	0.044 (0.119)	0.066 (0.118)
US FDI Outflows	-0.082 (0.102)	-0.081 (0.105)	-0.022 (0.111)	-0.059 (0.103)
Investment Protect.	-0.081 (0.093)	-0.103 (0.090)	-0.102 (0.088)	-0.027 (0.119)
Polity Score	0.035 (0.028)	0.037 (0.029)	0.036 (0.028)	0.038 (0.028)
GDP Per Capita	0.065 (0.157)	0.063 (0.152)	0.051 (0.150)	0.039 (0.151)
Open Capital Acts.	0.071 (0.154)	0.054 (0.159)	0.057 (0.155)	0.064 (0.155)
Prior BITs	0.043*** (0.015)	0.037** (0.015)	0.038*** (0.015)	0.036** (0.016)
Military Aid* Form. Com	-0.119** (0.053)			
US Exports * Form. Com.		-0.274* (0.165)		
US FDI Outflows * Form. Com.			-0.152 (0.186)	
Invest. Protect. * Form. Com.				-0.174 (0.143)
Observations	3,735	3,735	3,735	3,735

- Robust standard errors clustered on country in parentheses.

- All models include  $Time$ ,  $Time^2$ , and  $Time^3$ .

- \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .



### Estimating Likelihood of BIT Formation – Results by Decade

	(1)	(2)	(3)	(4)	(5)	(6)
	Period 1	Period 1	Period 2	Period 2	Period 3	Period 3
	(81 - 89)	(81 - 89)	(90 - 99)	(90 - 99)	(00 - 09)	(00 - 09)
Military Aid	0.227*** (0.060)	0.200*** (0.053)	0.019 (0.026)	0.001 (0.030)	0.169*** (0.051)	0.141 (0.091)
Former Communist	4.649*** (0.791)	6.469*** (1.474)	2.195*** (0.435)	1.724*** (0.484)		
US Exports	-0.061 (0.294)	0.066 (0.282)	0.166 (0.122)	0.073 (0.128)	-0.443*** (0.129)	-0.547*** (0.172)
US FDI Outflows	0.089 (0.251)	0.137 (0.215)	-0.069 (0.094)	-0.121 (0.111)	0.137 (0.224)	0.085 (0.077)
Investment Protect.	-0.041 (0.257)	0.064 (0.309)	-0.056 (0.081)	-0.167* (0.097)	0.327* (0.187)	0.398 (0.276)
Polity Score		-0.124 (0.098)		0.087** (0.035)		-0.000 (0.142)
GDP Per Capita		-0.448 (0.393)		0.146 (0.168)		-0.583** (0.283)
Open Capital Acts.		-0.200 (0.393)		0.130 (0.168)		0.266 (0.507)
Prior BITs		0.186 (0.122)		0.044** (0.019)		0.056 (0.035)
Observations	1,202	1,202	1,317	1,317	1,083	1,083

- Robust standard errors clustered on country in parentheses.

- All models include  $Time$ ,  $Time^2$ , and  $Time^3$ .

- \*p<0.1, \*\*p<0.05, \*\*\*\*p<0.01.