

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

September 16, 2010

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President:

When you announced the formation of the President's Export Council (PEC) in July, we pledged to work to develop a plan to help achieve the National Export Initiative's goal of doubling U.S. exports over the next five years. The NEI is an ambitious undertaking and by taking a collaborative, public-private approach to achieving the NEI's goals, we can make significant progress in strengthening our country's economy and creating millions of new jobs for American workers.

The negotiation and implementation of new and pending bilateral, regional and multilateral trade agreements is integral to achieving the NEI's objectives. As you know, every major trading nation is now negotiating free trade agreements (FTAs) to ensure that their exporters and workers get preferential access in markets where our exporters and workers are battling to expand their sales. If our competitors succeed in getting preferential treatment in these important world markets, while the U.S. stands still on trade, not only does the NEI run a high risk of falling short of its promise, but we run the risk of falling behind in the global economy and missing opportunities to create tens of thousands of jobs here at home.

The following are an initial set of public policy recommendations to ensure that American exporters have free and fair access to markets—a level playing field—by making trade agreements work better for the United States.

1. Prepare and submit as soon as possible the pending Free Trade Agreements for Congressional consideration and passage. We strongly support your decision to move quickly to resolve the outstanding issues in the Korea FTA, specifically, autos and beef. This will allow pending FTAs to move forward starting with Korea and subsequently with Colombia and Panama. Trade agreements have succeeded in opening foreign markets to American exporters. For example, in 2009, the U.S. had a trade surplus in merchandise (excluding oil and mineral products) of nearly \$17 billion with our 17 FTA partners. Through July 2010, the U.S. surplus in these products with our FTA partners was nearly \$9 billion. And, according to the independent, non-partisan U.S. International Trade Commission, "these agreements could increase U.S. exports by at least \$13 billion." Moreover, moving forward with the pending FTAs is necessary to reestablish a once-level playing field, including in the agriculture sector which has seen a significant loss of market share due to foreign competition from countries with FTAs with Colombia and Panama.

2. We also strongly support your initiatives to revitalize the Doha Round negotiations. Successful completion of the Doha Round is an essential part of restoring global economic growth and new job creation on a sustained basis. The PEC agrees with Ambassador Kirk that while the positions currently on the table in the WTO provide a foundation for moving forward, they do not in their current form or substance support significant new opportunities for economic growth and job creation.

Thus, we support the initiatives by Ambassador Kirk to re-energize the manufacturing, services and agriculture negotiations to expand their market opening commitments, and to ensure that these negotiations move forward in concert. The PEC also strongly endorses the view that the future success of the Doha Round depends on the willingness of large emerging countries like Brazil, India and China to assume their share of the responsibility to expand world trade commensurate with the substantial economic benefits they have been realizing as a result of multilateral market opening over the last sixty years.

3. Reinforce American Rights Against Unfair Trade Practices. The NEI already includes a strong commitment to enforcement of American rights under existing international agreements. It is equally important to ensure that domestic laws to protect American companies and workers from unfair trade practices are enforced fairly and effectively, and that internationally-accepted rules to prevent unfair trade practices are not preserved in new bilateral, regional or multilateral negotiations.
4. Pursue Modern FTAs with Our Major Trading Partners. Moving forward with the unfinished business of the Doha Round and the pending FTAs is essential, but it is equally important to begin to move forward on a new 21st century agenda of bilateral, regional and multilateral trade negotiations to make sure our foreign competitors are not able to exploit their bilateral and regional trade agreements to the disadvantage of our exporters and thus undermine the NEI's purposes.

The PEC endorses the negotiation of new trade agreements with our major trading partners. The Trans Pacific Partnership (TPP) is an important example of the type of initiative needed to promote American exports and create new jobs. We ^{ur}ge you to conclude the TPP negotiations before the U.S. hosts the Asia Pacific Economic Cooperation meetings in November 2011. In the months ahead, the PEC intends to consider the feasibility of other beneficial bilateral and regional initiatives.

5. Re-establish Confidence in the Adjustment Process. Helping workers, companies and communities adjust to trade, as well as rapid economic, technological and social changes inherent in the global economy is also an essential part of a successful NEI and critically important to our overall competitiveness. The new bipartisan trade adjustment assistance program enacted in 2009 is a good start. However, public-private initiatives are needed to move beyond trade-related programs and find new

ways to provide lifelong learning for workers, as well as assistance for job dislocation when livelihoods are threatened for any reason.

In the Omnibus Trade and Competitiveness Act of 1988, the Congress identified how trade agreements might constructively help the adjustment process. It authorized the President to undertake international negotiations to agree on rules to set up a system which would allow a country to impose a "small uniform fee" on imports to fund adjustment programs. Given the overall economic benefits of removing trade barriers and as tariffs are eliminated or substantially reduced, we believe the feasibility and utility of using this type of system to temporarily support the adjustment process should be re-evaluated.

As you said, Mr. President, in July, "export growth leads to job growth...So at a time when jobs are in short supply, building exports is imperative." We agree and are committed to working with you, the Congress and our colleagues in the private sector to make the NEI a success.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim N. Fenwick". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

¹ Please note that this letter has been prepared by the private-sector appointed members of the PEC.