

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

September 19, 2013

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

Dear Mr. President,

We are concerned about the growing trade challenge presented by local content requirements and other forms of localization barriers to trade and investment. These policies pose a serious and significant threat to American prosperity and will undermine the ability of U.S. companies to compete in the global economy

In recent years, governments around the world have dramatically increased the use of localization policies that seek to protect local industries and national champions by discriminating against foreign competition. In key markets around the world, American companies face a wide range of protectionist policies, including technology transfer requirements, discrimination on the basis of the origin or ownership of intellectual property, local content requirements for both government and private sector procurements, local ownership requirements, disadvantaged market access for foreign online sellers versus local companies, quantitative local hiring requirements, import restrictions and restrictions on the cross-border flow of data, among others.

As our economy continues to recover and grow, it is critical that American companies are able to access the 95 percent of the world's population that live outside our borders, including through trade finance, investment, development and advocacy programs. Discriminatory localization policies not only undermine our ability to compete fairly in key markets, but lead to the fragmentation of the global economy, reducing global economic productivity and undermining American prosperity.

In light of these challenges, we respectfully urge the Administration to make the fight against localization policies a top foreign policy and trade priority. We strongly support your decision to establish a Task Force on Localization Barriers to Trade under the leadership of the U.S. Trade Representative and look forward to working with you to develop a comprehensive strategy moving forward that maintains the ability of the U.S. government's trade and export-promotion agencies to support the interests of American companies abroad.

We recommend that the Administration utilize the Task Force for outreach to like-minded countries to develop a formal mechanism for cooperation to address this negative trend in trade policy. Through ongoing trade policy initiatives, such as the Trans-Atlantic Trade and Investment Partnership, the Administration can develop a framework for multiple countries to coordinate efforts and outreach to third countries to prevent the negative impact from localization policies, not only to American exports but to the overall global economy.

The President's Export Council stands ready to work with you to ensure that America's workers can continue to compete and win in the global economy.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McNerney". The signature is written in a cursive style with a large, stylized "J" and "M".

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.