

September 21, 2016

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

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear President Obama, Speaker Ryan, Leader McConnell, Leader Pelosi and Leader Reid:

Expanding access to nearly half a billion consumers in the Asia-Pacific through action on the Trans-Pacific Partnership (TPP) this year is critical to the growth and competitiveness of America's agricultural, manufacturing, service and technology sectors. Our organizations represent tens of thousands of enterprises that employ millions of American workers who stand to benefit from the TPP. We, therefore, urge you to work together expeditiously to forge a path forward to enable Congress to consider and pass the TPP no later than the end of this year.

America's private sector economy has expanded substantially over the last quarter century and remains the largest in the world, supporting and growing jobs and the growth of communities across the United States. The expansion of the U.S. agricultural, manufacturing, services and technology sectors is due in significant part to corresponding global economic growth and global trade. In particular, America's free trade agreements (FTAs) with 20 countries have spurred economic growth through expanded exports and sales overseas across all four sectors, while growing production and jobs domestically.

For example:

- U.S. agricultural exports to FTA countries increased more than 136 percent—from \$24.1 billion to \$57 billion annually—between 2003 and 2015. In the 20 years following the signing of the North American Free Trade Agreement (NAFTA), U.S. agricultural exports to Canada and Mexico have quadrupled, growing from \$8.9 billion in 1993 to \$38.6 billion in 2015, and Canada is the number one and Mexico is the number three market for U.S. agricultural exports.
- U.S. manufacturing output has nearly doubled to record levels since the NAFTA was signed, with about half of all U.S. manufactured goods exported overseas in 2015. Those exports support about half of all U.S. manufacturing jobs. U.S. FTA partners are outsized consumers of U.S. manufactured goods, purchasing nearly half of the \$1.3 trillion in U.S. manufactured exports in 2015, which support even higher-paying U.S. jobs.
- Under U.S. FTAs, services exports have consistently grown since 1993, adding over \$150 billion in exports for the United States. TPP countries collectively represent the largest U.S. trading partner, with \$178 billion in U.S. services exports and a surplus of \$80 billion dollars in 2014 and accounting for 25 percent of U.S. all services exports.
- Trade has also been critical to the growth of the U.S. technology sector, which has become the envy of the world over the last two decades, creating products and services that benefit every other segment of the global economy. U.S. companies hold approximately a one quarter share of the global information and communications technology (ICT) industry and are the world's largest producers of ICT goods and services, with 2014 U.S. exports totaling \$94 billion and \$68 billion, respectively. Since 1997, U.S. ICT exports grew by more than 50 percent as a result of the elimination of tariffs through the Information Technology Agreement and U.S. FTAs.

As the most productive industries in the world, our enterprises need access to new consumers and markets to sustain, let alone grow, production and good-paying jobs. Yet, U.S. industries face increasing competition as our global competitors are benefitting from trade deals that exclude and disadvantage the United States. This disadvantage is particularly severe in the Asia Pacific region where the United States has been losing market share in those TPP nations with which the United States has not negotiated trade agreements, but others, such as China and Mexico, already have such agreements. The status quo is not acceptable for industries that need new markets to sustain and grow our workforces in the United States.

Action on the TPP is critical to reverse the loss of new customers in the fastest growing region in the world. Specifically, a fully implemented TPP will:

- Level the playing field by eliminating all manufacturing tariffs, eliminating or reducing enormous agricultural tariffs, and addressing barriers to all four sectors that impede the ability of U.S. goods and services producers to expand their sales in these key markets.
- Set in place important rules and raise TPP country standards in a host of areas that will enhance U.S. competitiveness and eliminate unfair foreign government distortions.
- Incorporate new rules to address e-commerce and data issues that are critical to small and large firms alike and adds new disciplines to fight against corruption and distortions caused by state-owned enterprises.
- Set in place strong enforcement and dispute settlement procedures to ensure that the United States will get the benefit of the higher standards and new access that has been negotiated.

Failure to act on the TPP will only keep the United States at a competitive disadvantage globally, to the detriment of America's farm, manufacturing, services and technology sectors and the American workers that depend on jobs in each of these sectors. It is past time for our government to roll up its sleeves and work together with Congress to find a path forward. Industries throughout the United States are waiting.

Respectfully,



Zippy Duvall
President
American Farm Bureau Federation



Dean C. Garfield
President and CEO
Information Technology Industry Council
High Tech Trade Coalition, Secretariat



Christine Bliss
President
Coalition of Services Industries



Jay Timmons
President and CEO
National Association of Manufacturers