Mr. Jacob Sullivan Assistant to the President for National Security Affairs Director, National Security Council The White House Washington DC, 20500

Dr. Lael Brainard Assistant to the President for Economic Policy Director, National Economic Council The White House Washington, DC 20500

Dear Directors Sullivan and Brainard:

The undersigned organizations – representing companies and workers across the U.S. agriculture, automotive, aerospace, chemical, consumer product, energy, finance, food and beverage, insurance, healthcare, hospitality, manufacturing, media, natural resources, retail, semiconductor, technology, telecommunication, textiles, and transportation sectors – write to request a meeting with your staff to discuss how we can partner with the Administration in advancing our nation's economy and national security through a positive and proactive U.S. trade policy that benefits all U.S. enterprises and citizens.

We support the Biden Administration's goal of ensuring that U.S. trade policy accounts for the interests of all Americans. However, at present, rising trade barriers threaten the livelihoods of American farmers, ranchers, artists, innovators, and manufacturing and service workers who depend on two-way trade flows.

As reflected in the June 11 recommendations of the <u>President's Export Council</u> and the June 10 White House <u>Council of Economic Advisers'</u> analysis, now is the time for the Administration to chart a course for future U.S. trade policy that includes commercially meaningful negotiations on two-way trade with U.S. allies and partners. These negotiations should address shared interests in the cross-border exchange of goods, services, food and agricultural products, data, investment, and intellectual property (IP) and in advancing interoperable regulatory norms that reflect U.S. law, values, and interests. We offer the following six recommendations.

First, trade policy leaders across the U.S. government, including in the Executive Office of the President, as well as the Departments of Agriculture, Commerce, State, Treasury, and Homeland Security (collectively "USG trade policy leaders"), should recognize that the negotiation of preferential trade agreements with U.S. allies and partners can help:

- a. Create economic opportunity for all Americans, including by improving access to trade and open markets for all U.S. industry sectors and workers;
- b. Facilitate compliant trade with trusted traders, while focusing enforcement against riskier trade;
- c. Ensure better labor and environmental standards;
- d. Advance U.S. democratic norms of governmental accountability and good governance;
- e. Protect innovation and IP;
- f. Promote cross-border access to information and data vis-à-vis allies and partners;
- g. Secure the U.S. investments in allies and partners that the Administration has called for; and
- h. Bolster our national security through strategic economic ties.

Despite the clear benefits of such trade agreements, negotiations have stalled in recent years while other countries continue to establish the global rules of the road without U.S. participation. Notably, China is stepping up efforts to negotiate new and update existing FTAs, including with some of America's closest allies and partners. It is critical for the United States to get back to the work of strengthening trade with our allies and partners.

Second, USG trade policy leaders should ensure that U.S. trade policy incentivizes U.S. companies to invest and expand their U.S. operations and workforces, while also ensuring that U.S. agricultural producers can compete on an even playing field in export markets. This requires negotiating new agreements that open foreign markets to U.S. exports, and that promote international standards, protect innovation, enable digital trade, contain investor safeguards, and support trade compliance by trusted traders. It also requires the enforcement of existing trade rules against acts that nullify or impair current market access commitments and against acts of trade discrimination that hurt U.S. interests.

Third, USG trade policy leaders should recognize that a strong and diversified U.S. economy depends on access to information and inputs from abroad, and that – as the <u>Council of Economic Advisers</u> has noted – the burden of many trade barriers and tariff increases is borne disproportionately by those with lower incomes. Trade plays a critical role in reducing inflation, reducing the national debt, and improving equitable economic outcomes for all.

Fourth, USG trade policy leaders should work together with domestic economic policy leaders in Congress, the Departments of Labor and Commerce, the Small Business Administration, and across state and local governments, to strengthen U.S. workforce competitiveness in the international marketplace. This should include a workforce development initiative via national, regional, and sectoral upskilling efforts to capitalize on job opportunities in trade agreements. In other areas (e.g., <u>cybersecurity</u> and <u>national security</u>), the White House has coordinated such efforts. The Administration should do so for U.S. trade policy too. This means taking steps to ensure that Americans have confidence that they can secure the information, training, and tools needed to unlock the benefits of trade agreements. This initiative should also identify any policies that impede the capacity of the workforce to benefit from trade and suggest recommendations to overcome those impediments.

Fifth, USG trade policy leaders should ensure that U.S. trade policy supports broader U.S. economic policies, including the Administration's efforts to strengthen U.S. semiconductor, advanced battery, electric vehicle, and biotechnology manufacturing and supply chains; its efforts to nurture sustainable agriculture; and its efforts to support economic equity, good jobs, and technology leadership while managing associated risks. Trade is necessary to achieve positive outcomes in all of these areas. At the same time, we understand that targeted measures – such as trade remedies – may be appropriate in some cases. However, such targeted measures do not require a retreat from trade negotiations with U.S. allies and partners in relation to goods, services, agricultural products, data, IP, and investment protection.

Finally, all USG trade policy leaders should reflect President Biden's recognition that "America's alliances are our greatest asset," and that, "if we don't write the global rules of the road for trade, cyber, [and] ... climate change, they may be written by China or other nations that don't share our values." This also includes the Administration's whole-of-government policy of promoting the U.S.-Allied exchange of knowledge and information to "realize the benefits of data free flows with trust based on our shared values as like-minded, democratic, open and outward looking partners."

For the Administration to ensure the success of its domestic economic agenda, we believe it urgent to build a more effective policy foundation for external engagement, leveraging U.S. strengths and the goodwill the United States still enjoys in foreign markets in championing rules-based frameworks for trade. To that end, we seek your advice on how we can partner with the Administration in delivering on that goal and in helping to build support for rules that benefit all participants in the U.S. economy, all of whom have a stake in our export success. Please let us know if we could schedule a time for the representatives of the undersigned organizations to meet with your staff.

Undersigned Organizations

Advanced Medical Technology Association (AdvaMed)

American Apparel & Footwear Association (AAFA)

American Association of Exporters and Importers (AAEI)

American Automotive Policy Council (AAPC)

American Chemistry Council (ACC)

American Council of Life Insurers (ACLI)

American Property Casualty Insurance Association (APCIA)

American Seed Trade Association

American Soybean Association

Autos Drive America

ACT | The App Association

BSA | The Software Alliance

Chamber of Progress

Coalition of Services Industries (CSI)

Computer & Communications Industry Association (CCIA)

Consumer Technology Association (CTA)

Distilled Spirits Council of the United States

Engine

Express Association of America (EAA)

Farmers for Free Trade

Global Business Alliance

Global Data Alliance

Hardwood Federation

Hardwood Manufacturers Association

Information Technology Industry Council (ITI)

International Dairy Foods Association

Meat Institute

North American Association of Food Equipment Manufacturers (NAFEM)

National Association of Manufacturers (NAM)

National Customs Brokers & Forwarders Association of America (NCBFAA)

National Hardwood Lumber Association

National Fisheries Institute (NFI)

National Foreign Trade Council (NFTC)

National Pork Producers Council (NPPC)

National Retail Federation (NRF)

Payments Leadership Council (PLC)

Pharmaceutical Research and Manufacturers of America (PhRMA)

Retail Industry Leaders Association (RILA)

SEMI

Semiconductor Industry Association

TechNet

Technology Trade Regulation Alliance (TTRA)

Telecommunications Industry Association (TIA)

The World Innovation, Technology and Services Alliance (WITSA)

Small Business & Entrepreneurship Council

Software & Information Industry Association (SIIA)

USA Rice Federation

U.S. Chamber of Commerce

U.S. Council for International Business (USCIB)

U.S. Fashion Industry Association (USFIA)

U.S. Wheat Associates

CC:

The Honorable Jared Bernstein Chairman of the White House Council of Economic Advisers

The Honorable Antony Blinken U.S. Secretary of State

The Honorable Alejandro Mayorkas U.S. Secretary of Homeland Security

The Honorable Gina Raimondo U.S. Secretary of Commerce

The Honorable Katherine Tai U.S. Trade Representative

The Honorable Thomas Vilsack U.S. Secretary of Agriculture

The Honorable Janet Yellen U.S. Secretary of the Treasury