

January 24, 2012

President Barack Obama
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

On behalf of U.S. small, medium and large enterprises representing a wide segment of the business and agricultural communities engaged in international trade and investment, we are writing to express deep concerns over your Administration's proposal to merge the Office of the U.S. Trade Representative with five other agencies responsible for business and trade into one single cabinet-level department. While not collectively taking a position on your request for reorganization authority, our organizations strongly value the goals of creating more efficient and better-functioning government agencies that will better advance U.S. competitiveness in the international economy.

At the outset, we would like to underscore the critical importance of U.S. international trade and economic engagement. The United States is the world's largest trading nation and has enjoyed enormous prosperity in large part because of the policies on trade and investment liberalization it adopted in 1934 and thereafter, which is the mission of the United States Trade Representative (USTR) to pursue. Over the last decade, U.S. trade in agricultural, consumer and manufactured goods and services has accounted for an increasing share of U.S. economic growth and has contributed significantly to the high standard of living enjoyed by American workers and their families, in no small part due to the trade and market-opening agreements USTR has negotiated. With 95 percent of the world's population and about 80 percent of the world's purchasing power outside U.S. borders, trade and investment are vital to grow America's industries, jobs and economy. The U.S. government's role in international trade policy, negotiations, enforcement and promotion is highly important and raises very complex issues on which a broad range of stakeholders within government and outside has strong interests.

While we are still assessing the breadth and potential impact of the proposal, we would like to share our immediate concerns about one aspect of the trade-agency reorganization proposal: the apparent elimination of the Office of the United States Trade Representative (USTR) as a separate entity under the Executive Office of the President. This extremely efficient, focused and effective entity was first created in 1962, at the request of Congress, and then expanded in 1974 when Congress officially created USTR, where it negotiates, enforces and administers the U.S. trade agreements program and is directly accountable to both the President and Congress. USTR also plays an invaluable role in coordinating the many different entities within the U.S. government that have specialized trade functions based on their own expertise. This role in balancing the interests of various constituencies and agencies helps provide assurance to all stakeholders that no one has a thumb on the scale, or that important commercial interests will be traded for other unrelated policy objectives, including foreign policy.

Congress and the business and agricultural communities have often noted the importance of having USTR as a separate entity within the Office of the President, so that it can act responsively to negotiate, implement and enforce U.S. trade objectives. For the U.S. agricultural and business communities, USTR has played a highly important role that has grown U.S. exports, eliminated foreign market barriers and improved the overall competitiveness of U.S. farm and manufactured goods and services in the international economy.

USTR's unique and important role stems in substantial part from its position within the Executive Office of the President, lending it credibility with foreign trading partners, Congress, other U.S. government entities and private stakeholders. Most developed economies have a direct counterpart to the USTR that reports to the head of government which lends the position enormous credibility. Subsuming USTR into a broader trade and business government department will severely harm that credibility and USTR's ability to play its unique coordinating role within the U.S. government. As a result, we believe that such a move will weaken the ability of USTR and the United States to pursue effectively a strong trade policy that is responsive to Congress, business and other stakeholders and meets our country's important objectives, including achieving the Administration's important goal of doubling exports.

We welcome your and your Administration's objective to improve how the government works with business and promotes U.S. international economic engagement, but we have immediate concerns about fundamental aspects of the trade-agency reorganization proposal. We look forward to consulting with you and Congress on any further steps that may be considered related to this proposal to ensure that any changes made will advance economic opportunities and growth for American enterprises and our workers.

Respectfully,

Advanced Medical Technology Association (AdvaMed)
Agriculture Transportation Coalition (AgTC)
American Apparel & Footwear Association (AAFA)
American Association of Exporters and Importers (AAEI)
American Business Conference (ABC)
American Chamber of Commerce in China
American Chemistry Council (ACC)
American Cleaning Institute
American Composites Manufacturers Association
American Council of Life Insurers (ACLI)
American Farm Bureau Federation (AFBF)
American Foundry Society
American Frozen Food Institute (AFFI)
American Insurance Association (AIA)
American Meat Institute (AMI)
American Peanut Product Manufacturers, Inc.
American Pyrotechnics Association (APA)
American Seed Trade Association (ASTA)
American Soybean Association (ASA)
American Sugar Alliance (ASA)
Coalition of New England Companies for Trade (CONNECT)
Coalition of Service Industries (CSI)
Consumer Electronics Association (CEA)
Consumer Specialty Products Association (CSPA)
Consuming Industries Trade Action Coalition (CITAC)
Corn Refiners Association
Emergency Committee for American Trade (ECAT)

European-American Business Council (EABC)
Fabricators and Manufacturers Association, International
Fashion Accessories Shippers Association (FASA)
Grocery Manufacturers Association (GMA)
Information Technology Industry Council (ITI)
International Association of Drilling Contractors (IADC)
International Dairy Foods Association (IDFA)
International Safety Equipment Association
Manufacturers Alliance for Productivity and Innovation
Metal Powder Industries Federation
Metals Service Center Institute
Motion Picture Association of America (MPAA)
Motor and Equipment Manufacturers Association
National Association of Manufacturers (NAM)
National Association of State Departments of Agriculture (NASDA)
National Barley Growers Association (NBGA)
National Cattlemen's Beef Association (NCBA)
National Confectioners Association (NCA)
National Council of Farmer Cooperatives (NCFC)
National Customs Brokers and Forwarders Association of America (NCBFAA)
National Fisheries Institute (NFI)
National Milk Producers Federation (NMPF)
National Oilseed Processors Association (NOPA)
National Pork Producers Council (NPPC)
National Renderers Association
National Retail Federation (NRF)
National Sunflower Association
Non-Ferrous Founders' Society
Pacific Coast Council of Customs Brokers and Freight Forwarders Associations
Pacific Northwest Asia Shippers Association
Pet Food Institute
Plumbing Manufacturers International
Recording Industry Association of America (RIAA)
Semiconductor Industry Association (SIA)
Small Business & Entrepreneurship Council
Society of Chemical Manufacturers and Affiliates
Southeastern Lumber Manufacturers Association, Inc.
Sporting Goods Manufacturers Association (SGMA)
Sweetener Users Association
TechAmerica
Telecommunications Industry Association (TIA)
The TransAtlantic Business Dialogue
The Vinyl Institute

United States Council for International Business (USCIB)
USA Dry Pea and Lentil Council
USA Poultry & Egg Export Council (USAPEEC)
USA Rice Federation
U.S. Apple Association
US-ASEAN Business Council
U.S. Canola Association
U.S. Chamber of Commerce
US-China Business Council (USCBC)
U.S. Dairy Export Council (USDEC)
US Dry Bean Council
U.S. Grains Council
U.S. Meat Export Federation (USMEF)
U.S.-Russia Business Council (USRBC)
US Wheat Associates
Western Growers

Cc:

The Honorable Max Baucus
The Honorable John Bryson
The Honorable Dave Camp
The Honorable Hillary Clinton
The Honorable Susan M. Collins
The Honorable Elijah Cummings
The Honorable Michael Froman
The Honorable Timothy Geithner
The Honorable Orrin G. Hatch
The Honorable Darrell E. Issa
The Honorable Ron Kirk
The Honorable Sander M. Levin
The Honorable Joseph I. Lieberman
The Honorable Tom Vilsack