



July 8, 2016

Ambassador Michael Froman
United States Trade Representative
600 17th St., NW
Washington, DC 20006

Dear Ambassador Froman,

The Transatlantic Trade and Investment Partnership (TTIP) has the promise of being a game-changer because of the size and mesh of the US and EU economies. We understand the challenges faced in achieving the agreement, but we also believe there are some unprecedented opportunities in select areas to inject an outsized boost to American competitiveness and growth. One such example is in the narrow area of port dredging, where a targeted market-opening deal could be a huge win-win-win situation for U.S. economic interests: for jobs expansion, for improved infrastructure, and for the environment.

Dredging is a very specialized construction service, a market that is virtually entirely public procurement. The European dredging industry is without argument the best in the world, using dredges that are built in Northern Europe. An agreement that would allow such companies to operate and invest in the United States would mean more U.S. jobs. It would deliver a new energy and much-needed world-class capacity to cost-effectively accomplish dredging projects and deliver overdue improvements to a key element of U.S. infrastructure critical to our trade competitiveness.

Addressing this issue in TTIP is a natural and important follow-on to your hard work in pushing the WTO Trade Facilitation Agreement forward. We have long supported your efforts to modernize global customs operations. But while we move aggressively to lower the regulatory costs of moving goods through international ports, we should not ignore the hidden high costs that American importers and exporters are paying due to our own physical infrastructure constraints.

This issue carries an immediacy, one that is not going to go away but rather only become an even greater unnecessary drag on the U.S. economy.

Just days ago, Post-Panamax container ships began transiting the Panama Canal. With only a few exceptions, they will not be able to call on East Coast and Gulf Coast ports due to a lack of sufficient channel depths and widths. The result will be a distortion that places far greater demands on our West Coast ports while requiring heavy use of our existing truck and rail infrastructure (resulting in far greater carbon emission than should be necessary) to get goods to manufacturers and consumers in the Midwest and East Coast. The estimated 10-15 percent transportation cost savings promised by the Panama Canal project will not be realized, and the economic spur to US ports from adding shipping lines will be delayed. As one example, North Carolina State University's Institute for Transportation Research and Education estimates that adding just one Post-Panamax shipping line will increase economic output in the Port of Wilmington by 40%, or around \$4 billion annually. We would be pleased to provide you and your negotiators with more information and data on this issue.

Again, we fully support your work toward achieving the TTIP. We urge you to secure a market-opening agreement on dredging that removes current market distortions and thereby creates a win-win-win -- for U.S. jobs, for U.S. infrastructure, and for the environment.

Respectfully yours,

American Apparel & Footwear Association
Consumer Technology Association
Footwear Distributors & Retailers of America
National Retail Federation
United States Fashion Industry Association

Copy:

The Honorable John Kerry
The Honorable Penny Pritzker
The Honorable Anthony Foxx