

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

DEC 14 2009

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

On behalf of the President, I am pleased to notify Congress that the President intends to enter into negotiations of a regional, Asia-Pacific trade agreement, known as the Trans-Pacific Partnership (TPP) Agreement, with the objective of shaping a high-standard, broad-based regional agreement. This agreement will create a potential platform for economic integration across the Asia-Pacific region, a means to advance U.S. economic interests with the fastest-growing economies in the world, and a tool to expand U.S. exports, which are critical to our economic recovery and the creation and retention of high-paying, high-quality jobs in the United States. Successful conclusion of the TPP negotiations will require a high-standard, 21st century agreement with a membership and coverage that provides economically significant new market access opportunities for America's workers, farmers, ranchers, service providers, and small businesses.

The huge markets of the Asia-Pacific region already are key destinations for U.S. manufactured goods, agricultural products, and service suppliers. U.S. goods exports to the Asia-Pacific region totaled \$747 billion in 2008, up 8.3 percent over the previous year, with agricultural products comprising \$76 billion of the 2008 total, a 30 percent increase over 2007. U.S. services exports totaled \$187 billion in 2008, up 7.7 percent over 2007. U.S. small- and medium-sized enterprises alone exported \$173 billion to the Asia-Pacific in 2008.

Yet even as our exports have grown, we have seen a proliferation of trade agreements in the Asia-Pacific region to which the United States is not a party. While the United States has concluded some agreements, there are now 175 preferential trade agreements in force that include Asia-Pacific countries, with another 20 awaiting implementation and more than 50 others under negotiation. These agreements, as well as other economic developments, have led to a significant decline in the U.S. share of key Asia-Pacific markets over the past decade. A declining U.S. market share in the Asia-Pacific region means fewer export-created American jobs. Through the TPP Agreement, we intend to reverse this trend and enhance U.S. competitiveness and our share of job-creating economic opportunities in the region.

Our TPP negotiating partners currently include Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, and Vietnam. These countries form an initial group of "like-minded" countries that share a commitment to concluding a high-standard trade agreement. U.S. participation in the TPP Agreement is predicated on the shared objective of expanding this initial group to additional countries throughout the Asia-Pacific region. Several already have expressed interest in potentially participating in the agreement. We will consult with Congress as we consider additional members and as we work to further expand the economic significance of the TPP Agreement and to ensure that it remains high standard.

The Honorable Nancy Pelosi

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The Administration is committed to establishing a new partnership with Congress to develop U.S. negotiating objectives for the TPP Agreement. Beginning immediately and continuing throughout the negotiations, the Administration will hold regular and rigorous consultations on all elements of the agreement in order to develop negotiating positions consistent with both Administration and Congressional priorities and objectives. The goal is to work closely with Congress and other stakeholders to shape a 21st century regional trade agreement that will benefit U.S. workers, manufacturers, service suppliers, farmers, ranchers, small businesses, and consumers.

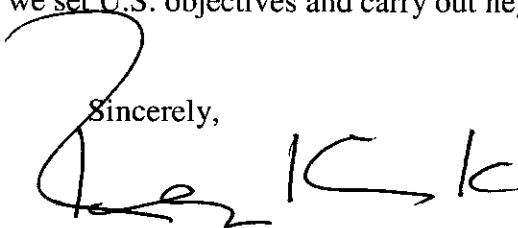
As the Administration develops U.S. negotiating objectives for this regional agreement, we will review our approach to the range of issues that the U.S. free trade agreements have addressed in the past, recognizing that the concerns of U.S. workers, businesses, farmers, and consumers have evolved over time. In undertaking that review, the Administration will work closely with Congress on the elements of a high-standard regional agreement that, as appropriate, updates the U.S. approach to traditional trade issues, addresses new issues, incorporates new elements that reflect our current values and priorities, and responds to 21st century challenges.

For example, working together with Congress, the Administration hopes to develop innovative ideas for using the TPP Agreement to promote new technologies and emerging economic sectors, create new opportunities for U.S. small- and medium-sized businesses to increase exports to the region, and help U.S. firms participate in production and supply chains in order to encourage investment and production in the United States. We also will work with Congress to enhance the agreement's focus on environmental protection and conservation, transparency, workers rights and protections, and development. We could ultimately include other issues that are identified.

We also look forward to working with Congress to address the challenges we will face throughout these negotiations. These include how to negotiate a new regional agreement with countries with which we already have bilateral free trade agreements, how to integrate developing economies like Vietnam into a high-standard agreement, and how to address U.S. sensitivities on trade in agriculture and other sectors.

The TPP Agreement provides an opportunity to develop a new model for U.S. trade negotiations and a new regional approach that focuses more on jobs, enhances U.S. competitiveness, and ensures that the benefits of our trade agreements are shared by all Americans. We look forward to working closely with you as we set U.S. objectives and carry out negotiations to conclude this important new agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald Kirk". The signature is stylized and written in a cursive-like font.

Ronald Kirk

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

DEC 14 2009

The Honorable Robert C. Byrd
President Pro Tempore
United States Senate
Washington, D.C. 20510

Dear Senator Byrd:

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Ronald Kirk