

United States Senate
WASHINGTON, DC 20510

May 1, 2012

Dear President Obama,

We believe that international trade is essential to U.S. economic growth. We support your stated goal to establish a high-standard, 21st Century Trans-Pacific Partnership (TPP) agreement that will foster new trade and investment and create a potential platform for economic integration across the Asia-Pacific region. Such an agreement could provide new opportunities for Americans to buy and sell goods and services, promote U.S. exports, and to sustain and grow well-paying U.S. jobs that rely on trade.

The U.S. objective in the TPP negotiations is to achieve a state-of-the-art trade agreement that includes robust market access for U.S. agriculture, industrial goods and services, strong protections for intellectual property rights and investment, and solid disciplines on technical barriers to trade. U.S. market access for apparel goods from TPP countries is an essential tool the United States has to use as leverage in these negotiations. In 2010, U.S. tariffs on clothing and home linens from the TPP countries were just under \$1.2 billion, accounting for about 68 percent of the total U.S. tariffs collected from those countries last year. Therefore, we believe that U.S. negotiators should reconsider the current approach to apparel in the TPP by promoting flexible rules of origin and meaningful market access that maximize the incentive to grow U.S. exports and U.S. jobs in a wide variety of sectors.

The current U.S. proposal on rules of origin takes an overly broad approach in advocating a yarn-forward position for nearly all apparel products. According to our understanding of the U.S. proposal, it would require originating yarns, fabrics, sewing thread and other inputs for all apparel products, even if there is insufficient availability of quality inputs and a reliable supply chain within the TPP countries. Instead, we believe that it would be better to take a more flexible approach which would support the growth of U.S. exports and U.S. jobs.

Although the TPP is not being negotiated with Trade Promotion Authority (TPA) it is our understanding that your office is still following TPA protocol which includes consulting with Congress and seeking to address our concerns at the front end of the negotiations rather than having Congress seek remedy when the final package is delivered.

We ask you to take a new approach which reflects the significant value created by American retailers, apparel brands, manufacturers, and importers as well as domestic textile producers. Such an approach should include a flexible general rule of origin for apparel that maximizes the incentive to grow U.S. exports, value and jobs in the TPP. For specific products for which there is significant U.S. production, we suggest that you work with industry to develop criteria to determine when it would be appropriate to include rules of origin that require more

U.S. or TPP content. We strongly believe the framework we outline above will enable U.S. negotiators to achieve the highest standard TPP agreement that maximizes new economic opportunities for U.S. job creators.

Thank you for your attention to this request. We look forward to your response.

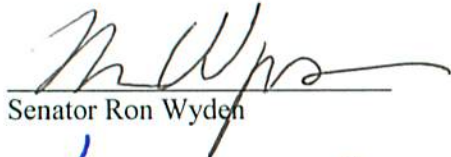
Sincerely,



Senator Mark Warner



Senator Dianne Feinstein



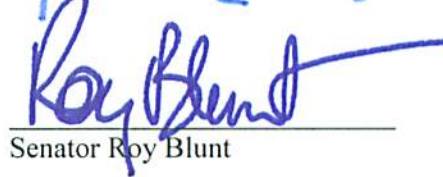
Senator Ron Wyden



Senator John Cornyn



Senator Kay Bailey Hutchison



Senator Roy Blunt



Senator Chuck Schumer



Senator Patty Murray



Senator John Boozman



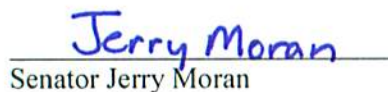
Senator Mike Johanns



Senator Kirsten Gillibrand



Senator Ron Johnson



Senator Jerry Moran



Senator Maria Cantwell



Senator John Thune