

April 10, 2015

President Barack Obama The White House 1600 Pennsylvania Ave, NW Washington, DC 20500

Dear Mr. President:

Your efforts to secure a sweeping trade deal with Asia are a critical component to a robust economic agenda that ushers in a new era of middle class prosperity. We strongly support the Trans-Pacific Partnership (TPP) and the opportunity it offers to increase exported goods and services that create and support well-paying middle class jobs. TPP also offers the United States a unique chance to seize a leadership position in Asia.

Since 2000, China has concluded 13 trade agreements with over 20 countries across the world, and it is presently negotiating the Regional Comprehensive Economic Partnership (RCEP), its own regional trade agreement. RCEP is roughly the same size and scope as TPP, but it has an additional goal: to undercut the U.S.-led TPP and high-standard American rules in the region. As you noted in your most recent State of the Union: "China wants to write the rules for the world's fastest-growing region. That would put our workers and businesses at a disadvantage. Why would we let that happen? We should write those rules."

As you work to conclude negotiations on TPP, we hope that your team continues to seek high-standard rules that will serve as a model for the region, as well as future trade deals. For example, we are pleased to hear that TPP will enforce fundamental labor rights through strong and enforceable labor standards. We are also encouraged that TPP will include robust environmental standards and commitments from member countries.

We shouldn't stop there. TPP also has the opportunity to deal with new, 21st century issues, ranging from new types of services to how to protect U.S. innovation and intellectual property. In a recent letter, Senators Thomas Carper (D-DE), Maria Cantwell (D-WA), Robert Casey (D-PA), and Robert Menendez (D-NJ) noted that "Innovative industries make up a vital sector of the U.S. economy. They not only create high-skilled, high-paying jobs here at home, but also position the U.S. as a global leader in many of our most dynamic and fastest-growing industries." To support these jobs, for example, we have long been proponents of providing 12 years of data protection for biologic medicines in order to protect our innovators and encourage the discovery of new and better medicines. TPP should do its best to uphold U.S. law in this area—in doing so, it will not only protect our innovators in this fast-growing region, but it will also set robust standards for future deals.

The United States and China are locked in a race to write the rules in Asia. While that poses tremendous risk, it also presents a sizeable opportunity. A truly high-standard deal would put more "Made in the USA" products and services in foreign markets, ensure global rules are fair, and help the middle class prosper in the 21st century.

Sincerely,

Gabriel Horwitz

Director of the Economic Program