

COUNCIL FOR INTERNATIONAL TRADE

CALIFORNIA CHAMBER of COMMERCE



May 2015

To: Members of the California Congressional Delegation

From: (Mrs.) Susanne T. Stirling, Vice President, International Affairs

Re: Support of Trade Promotion Authority

On behalf of the California Chamber of Commerce and our Council for International Trade, I am writing to urge Congressional approval of [The Bipartisan Congressional Trade Priorities and Accountability Act of 2015](#) (TPA-2015). This legislation will establish strong rules for trade negotiations and Congressional approval of trade pacts to deliver trade agreements that boost U.S. exports and create American jobs. Passage of trade promotion authority will help Congress and the President to work together to forge new and beneficial trade agreements for the United States.

The California Chamber of Commerce is a broad-based, non-profit membership organization through which business, industry and agriculture join forces to work for positive action on key legislation and regulatory issues affecting California's economic and job climate. International trade is one of our highest priorities. The organization, established in 1890, is the largest and most broadly based employer representative in Sacramento. Its members include more than 13,000 firms of all kinds and sizes, as well as 450 affiliated local chambers of commerce and 200 trade associations. Through its grassroots action program, the California Chamber reaches out to a statewide network of 430,000 small business owners. The California Chamber also offers a variety of services to help businesses comply with complex laws and regulations, as well as compete in the international marketplace.

It is important for Congressional leaders of both parties to know this legislation is critical to companies, workers, farmers, and ranchers in our state, and that you support this job-creating renewal of trade promotion authority for the President and/or U.S. Trade Representative to negotiate trade agreements.

Trade is an important engine for US economic growth and jobs. With 11.7 million US jobs tied to exports and 95% of the world's population abroad, US engagement in the international marketplace is more important than ever.

California is one of the 10 largest economies in the world with a GSP of over \$ 2 trillion. California maintains its perennial position as a top exporting state. California exports amount to over \$174 billion annually. Although trade is a nationally determined policy issue, its impact on California is immense. California exports to 229 foreign markets. Trade offers the opportunity to expand the role of California's exports. In its broadest terms, trade can literally feed the world and raise the living standards of those around us.

Every president since Franklin Delano Roosevelt has been granted the authority to negotiate market-opening trade agreements in consultation with Congress. The landmark Trade Act, H.R. 3009 of August 6, 2002 helped put US businesses, workers and consumers back in the game of international trade by granting the president trade promotion authority.

Since 2002, the United States has completed free trade agreements (FTA) with Australia, Bahrain, Chile, Colombia, the Dominican Republic/Central America, Morocco, Oman, Panama, Peru, Singapore and South Korea. Financially, this translates into the removal of billions of dollars in tariffs for US exports.

Several hundred FTAs are in force worldwide, with the United States party to just a handful. For example, both Canada and Mexico have FTAs with Chile. Mexico has more than 45 FTAs with countries and blocs, including Japan, Israel and the European Union. Chile has more than 50 FTAs with countries worldwide.

Now, without trade promotion authority, the United States will be compelled to sit on the sidelines while other countries negotiate numerous preferential trade agreements that put US companies at a competitive disadvantage. The more we cooperate with our friends, the less they'll depend on our rivals. If we don't write the rules of the global economy, somebody else will. Trade promotion authority not only opens markets and broadens opportunities for US goods and firms; it will make the United States the leader in global trade.

By approving trade promotion authority, Congress can help strategically address the range of US trade negotiations being pursued, including the Trans-Pacific Partnership (TPP) between the United States and Asia-Pacific region, and the Transatlantic Trade and Investment Partnership (TTIP) between the United States and European Union.

Trade promotion authority is vital for the President of the United States to negotiate new multilateral, bilateral and sectoral agreements that will continue to tear down barriers to trade and investment, expand markets for U.S. farmers and businesses and create higher-skilled, higher-paying jobs for US workers.

The California Chamber of Commerce, in keeping with long-standing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business. The CalChamber supports allowing California companies to compete more effectively in foreign markets, as well as to attract foreign business to California.

The CalChamber, therefore, supports the extension of trade promotion authority so that the President of the United States may negotiate new multilateral, sectoral and regional trade agreements, ensuring that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans. Thank you for your consideration of this important issue.