

COUNCIL FOR INTERNATIONAL TRADE

CALIFORNIA CHAMBER of COMMERCE



October 15, 2008

Mr. Garrett Ashley
Undersecretary for International Trade
CA Business, Transportation and Housing Agency
980 9th Street, Suite 2450
Sacramento, CA 95814

Dear Garrett:

On behalf of the Council for International Trade (CIT) of the California Chamber of Commerce (CalChamber), this is an open letter as you depart your position as Undersecretary for International Trade with the California Business, Transportation and Housing Agency as a part of the Governor Schwarzenegger Administration.

You have been a "Champion of Trade" for California and a wonderful representative for this Administration. In particular you have been a strong advocate for the proposed California Trade and Investment Strategy: Potential Roles for the State in Global Market Development. This Strategy is key to increasing jobs by promoting the export of California products and services of which our organization is very supportive.

As you know, the California Chamber is a broad-based nonprofit membership organization through which business, industry and agriculture join forces to work toward positive action on key issues that affect California's economic climate.

The organization, established in 1890, is the largest and most broadly based employer representative in Sacramento. Its members include over 16,000 firms of all kinds and sizes, representing three million jobs--one quarter of the state's private sector workforce, 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 approximately 430,000 small business owners.

The California Chamber supports 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.

As you are aware, the CalChamber and the members of the CIT have worked side-by-side with you and the Administration in complete cooperation for the implementation of this Strategy, as well as, on broader international matters.

The California Chamber of Commerce is pleased to serve as a member of the California Trade Partnership, as well as, the Coordinating Council. We concur in the following Strategy objectives being pursued:

- Leverage existing services to provide export assistance to companies in prioritized industry clusters;
- Develop a foreign direct investment program;
- Promote and leverage the California brand;
- Monitor and engage the federal government in regards to US Trade Policy; and
- Integrate international trade and investment in the State's overall economic development strategy.

As your successor(s) embark on the continuation of these goals, I will express the continuing support of the California Chamber of Commerce Council for International Trade.

CalChamber Council for International Trade

On October 1, 2007, the California Council for International Trade (CCIT) merged with the California Chamber of Commerce International Trade Committee to create the CalChamber Council for International Trade.

The new CalChamber Council for International Trade expands California's voice on trade. The merged Council boosts the ability of California businesses and organizations to advocate sound international business policies by bringing together the two leading trade policy organizations in the state to form a single unified group of business leaders on international issues.

Council for International Trade Update

The Council for International Trade Update, an e-newsletter from the CalChamber Council for International Trade, is an easy-to-scan digest of the latest news and information about trade policy. Each weekly newsletter features international headlines, U.S. trade policy updates, international business updates and relevant information compiled from several government and trade-oriented websites.

The Trade Update e-newsletter is sent to over 3,000 including members of the CalChamber Council for International Trade; CalChamber members with international interests; the consular corps; California congressional delegation; selected U.S. and California government officials; representatives of business and trade associations; and local, binational and American chambers of commerce abroad. and has become a place for readers to post worldwide events of interest to international trade practitioners.

You will, of course, continue to receive this Trade Update – as will your successor(s) at the Business, Housing and Transportation Agency.

CalChamber International Website

Detailed information vital to the businesses that make California one of the largest exporting states in the nation and one of the ten largest economies in the world is available on the international trade section of the California Chamber website at <http://www.calchamber.com/international>.

The international trade web page outlines the Chamber's activities to assist members with general export and import needs. The international web page also covers trade legislation/ issues, answers to frequently asked questions, Country Trade Portals, Profiles in Trade featuring CalChamber international member companies, a calendar for international events, web links to additional international trade organizations, and trade statistics.

We are always pleased to include items of interest to the California Business, Transportation and Housing Agency on our website as information for our business members and broader website visitors.

CalChamber CIT International Events for California Businesses

The California Chamber of Commerce has a long-standing history of participating in and hosting International Trade Forums for the business community throughout California. Below is just a sampling of recent international events. As you know, the CalChamber is always interested in cooperating with the Administration in these events.

- His Excellency Roy Ferguson, Ambassador of New Zealand to the United States
- Mr. Mateo Budinich, President, American Chamber of Commerce in Chile
- Mr. Charles G. Schott, Senior Advisor, Invest in America, US Dept. of Commerce

- The Honorable Heng Jee See, Consul General for the Republic of Singapore
- Ms. Viviana Araneda, Trade Commissioner for Chile and Mr. Nicolo Gligo, Executive Director of the Chilean Economic Development Agency
- The Honorable Yasumasa Nagamine, Consul General of Japan
- Ivailo Georgiev Kalin, Deputy Prime Minister and Minister of Foreign Affairs for Bulgaria and Elena Borislavova Poptodorova, Bulgarian Ambassador to the United States
- Maeng Jung Ju, Mayor of Gangnam, South Korea
- Margaret Fong, Hong Kong Commissioner International Luncheon Forum
- Innes Willox, Australian Consul General in Los Angeles
- Ambassador Charles Shapiro, US State Department, International Trade Forum
- Japanese Chamber of Commerce of Northern California and Japanese Business Association Annual Luncheon
- The Honorable Michelle Bachalet, President of the Republic of Chile, International Breakfast Forum
- Ambassador Patricia Haslach, Senior Official for APEC, US State Department International Trade Breakfast regarding the upcoming APEC ministerial meeting in California.

In addition, the California Chamber of Commerce is pleased to be listed as a Supporting Organization of CeBit 2009 to be held in Hannover, Germany with California as the Partner State. You are to be congratulated on working so diligently on this most worthwhile project.

Trade and Investment Missions

As part of the California Chamber's ongoing effort to promote international trade and investment opportunities for California businesses, members of the Board of Directors, Council for International Trade Members and CalChamber officials have participated in missions abroad in conjunction with Governors Deukmejian, Wilson, Davis and Schwarzenegger. These missions have included the opening of the state's former trade and investment offices around the globe. The CalChamber also has participated in Expo '86 in Vancouver and Expo '88 in Brisbane, and past gubernatorial missions to Mexico, Japan, Korea, the People's Republic of China, Taiwan, Southeast Asia, and the World Economic Forum in Davos, Switzerland.

California Chamber Board members and officials have accompanied Governor Schwarzenegger on missions to Japan, China, Mexico and Canada. Needless to say, you were an integral part of making these missions a success for the Administration and the business community.

US Trade Policy

As we all can agree, the interests of the state and the business community are directly affected by international trade policies at the federal level. The CalChamber CIT recognizes that monitoring and engaging in US trade policy is a key objective in the Strategy and is pleased to serve as an Advisory Body to that end.

The CalChamber Council for International Trade is focused on sound trade policy. The CIT works to influence international business policies which support California's global success, job creation and sustainability.

International trade is vital to California's economy. In fact, international-related commerce accounts for one-quarter of the state's economy and California trade translates into high-paying jobs for more than one million Californians.

Although trade is a nationally determined policy issue, its impact on California is immense. California exports to more than 220 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.

Following the Presidential election and with a new Congress, it will be imperative to work for the renewal of Trade Promotion Authority (formerly called fast track trade negotiating authority) - the process by which Congress gives authority to the President and/or U.S. Trade Representative to enter into trade negotiations in order to lower U.S. export barriers.

The CalChamber is also continuing our support for multilateral trade negotiations via the World Trade Organization (WTO) and its over 150 member nations as the only global international organization dealing with the rules of trade between nations.

The WTO has a tremendous impact on how California producers of goods and services compete in overseas markets, as well as domestically, and is creating jobs and economic growth through expanded international trade and investment. It gives businesses improved access to foreign markets and better rules to ensure that competition with foreign businesses is conducted fairly. We are hopeful the DOHA Round will continue to be considered as a viable vehicle for trade.

Support of Free Trade Agreements

The CalChamber Council for International Trade has formed the California Coalition for Free Trade with over 60 members.

This is a group of California companies and business organizations working to secure Congressional approval of the Free Trade Agreements with Colombia, Panama, and South Korea.

In joining the coalition, we include companies and associations on the rapidly growing list of those supporting the Agreements. There is no cost to do so and we keep members apprised of activities, and ways to be supportive of the FTAs.

With the size and importance of the California Congressional delegation, it is incumbent upon us to make our voice heard regarding these pending free trade agreements.

With free trade agreements pending before Congress, we are at a historic time to take action. California business and trade leadership on domestic and global issues remains a key in fostering California competitiveness.

Currently before Congress are the U.S. free trade agreements with Colombia, Panama, and Korea, all of which are critical to the U.S. strategy to liberalize trade.

It is expected there will be more trade initiatives, including the United States launching negotiations to join the Trans-Pacific Strategic Economic Partnership, a comprehensive Free Trade Agreement (FTA) concluded by Brunei Darussalam, Chile, New Zealand and Singapore, as a vehicle for advancing Trans-Pacific wide economic integration.

The CalChamber CIT has hosted CalTrade Partnership meetings in Sacramento to discuss the above and many other related international issues. We look forward to doing so again in the future. The CalChamber CIT is committed to the continuation of the CalTrade Partnership and the efforts to finalize and put into action the California Trade and Investment Strategy: Potential Roles for the State in Global Market Development. We look forward to an ongoing working relationship with the Executive Staff of the California Business, Transportation and Housing Agency.

The CalChamber continues to promote international trade and investment in order to stimulate California's economic activity and create new jobs. In an increasingly competitive global economy, the state must work aggressively to open markets for California businesses and attract foreign investment to keep the Golden State at the cutting edge of global trends.

October 15, 2008
Page 7 of 7

As you embark on a new career as Vice Chancellor for University Relations & Advancement at the California State University in Long Beach, please know that it has been a pleasure to work with you on a multitude of international issues and trade missions. All best wishes in your future endeavors.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susanne T. Stirling', with a long horizontal flourish extending to the right.

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

STS:alb

Cc:

The Honorable Victoria Bradshaw, Cabinet Secretary,
Office of the California Governor

The Honorable Dale Bonner, Secretary
California Business, Transportation and Housing Agency

Members, CalChamber Council for International Trade