

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

September 19, 2013

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

On behalf of the private sector members, we encourage the Administration to demonstrate leadership in the global trade agenda by confirming key deliverables for the 9th WTO Ministerial Conference in Bali, as well as identifying clear next steps for multilateral trade liberalization.

Critical deliverables include:

Trade Facilitation Agreement: The Trade Facilitation Agreement (TFA) will create binding commitments across 157(+) WTO Members to expedite movement, release, and clearance of goods and improve cooperation among WTO Members on customs matters. The TFA will also provide for Special and Differential treatment, such as staging of implementation after entry into force for developing country Members to ensure that all WTO Members ultimately implement the same commitments. Improvements in trade facilitation will benefit American exporters, small and large, that increasingly contribute to global supply chains. According to the OECD, this agreement has the potential to create better customs efficiencies and streamline regulation that will boost global productivity. Reducing global trade costs by one percent would increase worldwide income more than \$40 billion, 65 percent of which would accrue to developing countries.

According to a recent World Economic Forum study, reducing barriers to trade in supply chains could increase global GDP six times more than eliminating tariffs, resulting in as much as \$2.6 trillion (4.7 percent) in GDP growth, \$1.6 trillion (14.5 percent) in exports, and the potential to create 137 million jobs worldwide, including many in the United States.

The U.S. Government should intensify its commitment to the WTO Trade Facilitation Agreement and call on all parties involved to conclude the final agreement at the WTO Ministerial Conference in Bali in December.

Trade in Services Agreement: The Trade in Services Agreement (TISA) negotiations provide an important opportunity to finally bring market access and anti-discrimination commitments for trade in services on par to the rules that have been applicable to trade in goods for decades. Although TISA negotiations are being conducted outside the formal WTO structure, TISA's 20+ participants are all WTO members and include countries accounting for more than 70 percent of world trade in services. The agreement will set an important baseline of ambition for the globe.

The United States is the largest, most competitive and most innovative supplier of services internationally. Yet, U.S. service suppliers in many areas – including financial services, audio-

visual services, business consulting, computer-related services, legal services, accounting, express package delivery and many more – face significant barriers in overseas markets. The global economy has evolved significantly in the last twenty years since the WTO General Agreement on Trade in Services and there is now an urgent need to secure a services agreement to capture the needs of the 21st century such as cross-border data flows, elimination of localization requirements for the infrastructure necessary to facilitate these flows, regulatory coherence and transparency, personnel mobility, and equal treatment of private enterprise vis-à-vis state-owned enterprises and state supported enterprises. The U.S. economy has much to gain from a strong TISA agreement, and as TISA countries liberalize these sectors, it will help spur global growth.

Further, services trade includes many sectors that are critical to development and to the digital economy. Barriers in many different services areas – from telecommunications to payment processing to logistics to advertising to audio-visual distribution – artificially constrain the economic engine of the Internet in many countries. As TISA countries liberalize these sectors, it will help spur global growth and drive global demand for American exports.

Although TISA negotiations are not being conducted under the auspices of the WTO, TISA is the best prospect for developing a multilateral agreement and setting a new global standard for trade in services. We ask that your Administration seek high-level commitments of support for rapid conclusion to this 21st century agreement on the sidelines of the Bali meeting and to publicly affirm your commitment to concluding this agreement by the end of 2014.

We are committed to working closely with the Administration to effectively encourage progress at the WTO Ministerial Conference and across the broader WTO trade agenda.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McNerney". The signature is fluid and cursive, with a large initial "J" and "M".

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.