

August 31, 2011

Mr. Michael Froman  
Deputy Assistant to the President and Deputy National Security Advisor  
International Economic Affairs and Development  
Executive Office of the President  
1650 Pennsylvania Avenue, NW, Room 374  
Washington, DC 20504

Mr. Demetrios Marantis  
Deputy US Trade Representative  
Office of the United States Trade Representative  
Executive Office of the President  
600 17th Street, NW, Room 201A  
Washington, DC 20508

Dear Mr. Froman and Ambassador Marantis:

Our organizations write to express both our gratitude and potential concern with the U.S. government's effort to complete and table text in the Trans-Pacific Partnership (TPP) negotiations on the issue of state-owned enterprises (SOEs).

On the eve of the Chicago Round, the stakes in the TPP could not be higher. A successfully concluded TPP that sets the benchmark for 21<sup>st</sup> century bilateral, regional and multilateral trade and investment disciplines will go a long way towards establishing new rules of the road that would help U.S. companies and workers overcome the serious disadvantages that they face in competition with SOEs as commercial actors.

In that regard, we are deeply grateful for the substantial efforts by the U.S. government in recent weeks to draft text and reach a government-wide consensus. We recognize that the SOE issue is a difficult and complex one.

We are concerned, however, that the final text tabled by the United States in the negotiations may fall short of the robust and detailed disciplines that are needed to ensure that U.S. exporters, investors, and American workers are able to compete on a level playing field against SOEs and the government support which they receive through myriad preferential policies. For our organizations, the TPP does not represent an incremental opportunity; it is an opportunity for an ambitious and game-changing approach worthy of the 21<sup>st</sup> century model it is intended to represent.

As a result, we strongly encourage a final text be tabled that prescribes a detailed and comprehensive code of conduct to TPP negotiating partners. This code of conduct should include disciplines and obligations that can effectively deter governments from employing policy mechanisms that advantage SOEs in the marketplace when in competition with private actors.

We again appreciate the efforts of the U.S. government and its seriousness of purpose in grappling with this critical issue. Our organizations remain hopeful that a comprehensive and ambitious text be tabled in Chicago. We look forward to continuing to engage closely with you on this and other issues in the TPP in order to advance a level playing field and economic opportunity for American businesses and workers.

Sincerely,

Coalition of Service Industries  
National Foreign Trade Council  
U.S. Chamber of Commerce  
U.S. Council for International Business

cc: Ms. Lael Brainard  
Mr. Robert D. Hormats  
Mr. Francisco Sánchez