Congress of the United States Washington, DC 20515

May 3, 2012

The Honorable Barack Obama President of the United States The White House 1600 Pennsylvania Ave, NW Washington, DC 20500

Dear President Obama,

We write in strong support of Buy American procurement policies, including the various federal programs that have been in place since the enactment of the Buy American Act in 1933 and passage by many states of similar preference policies. We are concerned about proposals we understand are under consideration in the Trans-Pacific Partnership (TPP) agreement negotiations that could significantly limit Buy American provisions and as a result adversely impact American jobs, workers, and manufacturers.

Under the proposed TPP framework, individual states and the federal government would be obligated to bring existing and future domestic policies into compliance with norms set forth in 26 proposed TPP chapters, including one covering government procurement policy. Failure to conform our domestic policies to these terms would subject the United States (U.S.) government to lawsuits before international dispute resolution tribunals empowered to authorize trade sanctions against the U.S. until our policies are changed.

In the past, U.S. Free Trade Agreements (FTA) required that all firms operating in a signatory country be provided equal access as domestic firms to U.S. government procurement contracts over a certain dollar threshold. To implement this "national treatment" requirement, the U.S. waived Buy American procurement policies for firms operating in FTA-signatory countries. Effectively, in exchange for opportunities for some U.S. firms to bid on contracts in smaller foreign procurement markets, we traded away an important policy tool that can ensure that billions in U.S. government expenditures are recycled into our economy to create jobs, strengthen our manufacturing sector, and foster our own new cutting-edge industries.

We do not believe this approach is in the best interest of U.S. manufacturers and U.S. workers. Of special concern is the prospect that firms established in TPP countries, such as the many Chinese firms in Vietnam, could obtain waivers from Buy American policies. This could result in large sums of U.S. tax dollars being invested to strengthen other countries' manufacturing sectors, rather than our own. At a time when U.S. manufacturing only employs 11.71 million people, a 40% decline from its peak in 1979 and the lowest since 1941, we simply cannot allow this to happen.

As you know, procurement policy established in trade agreements cannot be later modified without consent of all signatory countries. This would deprive Congress and U.S. state

legislatures of their authority to modify procurement policies despite fundamentally changed national or international circumstances. Therefore, we are writing to inquire about U.S. negotiators' procurement proposals for the TPP and to encourage your Administration not to provide "national treatment" for U.S. government procurement. This matter is of considerable urgency given the stated goal of completing these talks this summer and the special TPP intercessional negotiations on procurement held early last month.

While we may have different views on other aspects of the prospective TPP, we are united in our belief that American trade agreements should not limit the ability of Congress and U.S. state legislatures to determine what procurement policies are in our national interest. Thank you for your consideration of our views, and we look forward to your response on this important matter.

Sincerely,

DONNA F. EDWARDS
Member of Congress

WALTER JONES
Member of Congress

JOHN D. DINGELL Member of Congress

CHARLES B. RANGEL Member of Congress

MARCY KAPTUR Member of Congress

WETER A. DEFAZIO Member of Congress NICK J. RAHALL, II Member of Congress

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cc: The Honorable Ron Kirk, United States Trade Representative