

August 25, 2011

Ambassador Ron Kirk
United States Trade Representative
600 Seventeenth Street, N.W.
Washington, DC 20508

Dear Ambassador Kirk:

In the statement that you made as Chairman in May 2011 at the close of the Asia Pacific Economic Cooperation (APEC) Senior Officials Meeting held in Big Sky, Montana, you confirmed that trade ministers set as a top priority the enhancement of supply chains to reduce the time, cost, and uncertainty of moving goods and services throughout the region.

For the U.S. economy, the need to address supply chain connectivity is particularly urgent. To meet the President's objective of doubling U.S. exports, and to integrate effectively small and medium-sized enterprises (SMEs) in that endeavor, supply chain "chokepoints" must be attacked and eliminated wherever possible.

The Trans-Pacific Partnership (TPP) agreement is an important opportunity to address supply chain connectivity which we cannot afford to miss. As the U.S. negotiating team prepares for the next round of TPP negotiations, scheduled to be held in Chicago beginning the week of September 5, we hope the United States will present and support key principles and commitments to TPP parties for their consideration, including tools that adequately recognize the full scope of issues that are critical to integrating modern supply chains; mechanisms to effectively and expeditiously address supply chain problems as they arise; and an ambitious work program to achieve targets. We recognize the important contributions of specific chapters throughout the FTA to supporting supply chains, but cannot stress enough the value of a separate and comprehensive acknowledgment to ensure whole-of-government commitment to strengthening TPP supply chains.

To be effective, we believe provisions supporting supply chain connectivity must include the following commitments:

1. **A comprehensive, inter-disciplinary approach.** As mentioned above, this key principle is a positive recognition of the responsibility of multiple authorities including transport, border administration, and "behind-the-border" regulatory agencies in supporting supply chains. To give legal effect to this approach, the TPP could require signatories to identify a single entity responsible for coordinating all national agencies and regulators that impact the supply chain. This entity could also be responsible for ensuring compliance with TPP supply chain commitments and for engagement with industry on commitments 2 and 3 below. One of the greatest challenges that US companies face when bringing goods and services to market in the region is the multiple, divergent objectives of regulatory agencies involved. Such a commitment will help address that gap.

2. **A mechanism for trouble-shooting and addressing problems.** Obstacles can appear unexpectedly across global supply chains resulting from transport gateway restrictions, hold-ups at the border, or regulatory approvals. Such chokepoints result in additional costs for traders and goods by prolonging time-to-market. A trouble-shooting mechanism in the TPP to secure quick and expedited corrective actions is an innovative and impactful approach to resolving connectivity issues.

3. **An action-oriented work program including clear targets.** A continuing, targeted work program will demonstrate strong commitment to progress in all relevant areas. Some examples worth considering include time-to-release commitments, a harmonized list of common data elements, paperwork reduction goals, and benchmarks for expedited regulatory approvals. Such an action-oriented agenda will be greatly welcomed by US companies and will enable TPP countries to measure their progress towards improved supply chain performance.

4. **Future-Oriented Provisions.** Twenty-first century supply chains are nimble, responsive to demand, involve collaborative decision making, and require maximum flexibility. To be responsive to the evolving global environment, we feel provisions on supply chains must leave room for incorporating new solutions. We understand this to be a regular part of FTAs but want to emphasize the importance of a future-oriented agreement in supporting supply chains.

Finally, please allow us to commend your team at USTR for the hard work put into advancing issues of importance to our industry. We recognize that the TPP will feature prominently as a legacy of the President's international economic policy and are ready to work with you and your negotiating team to ensure it meets the needs of the U.S. economy and the Asia Pacific region.

Sincerely,

American Apparel & Footwear Association (AAFA)
American Eagle Outfitters, Inc.
C&M International
Caterpillar, Inc.
eBay Inc.
Emergency Committee for American Trade (ECAT)
Express Association of America (EAA)
Fashion Accessories Shippers Association (FASA)
FedEx Express
Hanesbrands Inc.
Levi Strauss & Co.
National Association of Manufacturers (NAM)
National Fisheries Institute (NFI)
National Retail Federation (NRF)
NIKE, Inc.
Outdoor Industry Association (OIA)
Retail Industry Leaders Association (RILA)
Target
Travel Goods Association (TGA)

United States Council for International Business (USCIB)
UPS
U.S. Association of Importers of Textiles and Apparel (USA-ITA)
U.S. Chamber of Commerce
Wal-Mart Stores, Inc.

cc: Ambassador Demetrios Marantis
Assistant USTR Barbara Weisel