

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

March 12, 2013

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

Dear Mr. President,

In March 2011, the PEC recommended a number of key issues critical to developing a 21st century trade policy model that supports the current – and future – commercial marketplace. In particular, we welcome the progress made to date in the ongoing Trans-Pacific Partnership (TPP) negotiations to address many of these crucial areas, including digital trade, trade facilitation, regulatory cooperation and others.

In preparation for a 2013 conclusion to the TPP negotiations, we would like to build on our existing recommendations and focus on a critical requirement of sanitary and phytosanitary (SPS) concerns, essential to the growth of American agricultural exports.

Given the large volume and high quality of America's food and agriculture exports, it is regrettable that our exporters often encounter border delays which are particularly burdensome given the perishable nature of many of these exports. Specifically, when importing countries raise SPS issues or take actions that could constitute technical barriers to trade (TBT), the long delays in resolution can become a significant trade barrier itself. These actions often lack transparency, predictability, and clear mechanisms for response, resulting in unwarranted costs and significant impediments to safe and secure supply. Finding ways to reduce these delays will bolster U.S. exports and improve food and economic security.

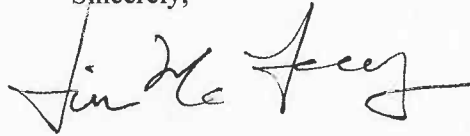
The U.S. government has recognized the high impact that these practices can have on food and agriculture trade in general and on U.S. exports particularly. The TPP offers an important opportunity to address these concerns through the provision of a timely and transparent mechanism to lessen harmful border delays. The core of this mechanism is enhanced and expedited cooperation between regulatory agencies and the private sector.

The PEC members appreciate this recognition and U.S. government efforts to ensure these important issues are addressed effectively within the TPP. We strongly believe that including a mechanism that effectively and expeditiously resolves these issues should be a key aspect of an enforceable TPP SPS Chapter and support efforts to achieve this outcome.

To perform properly, this mechanism must be founded on the collaborative participation of the private sector exporter and importer and regulatory agencies. For maximum efficiency, this mechanism should include two key aspects: 1) rapid notification to the private sector (usually exporter of record) when a problem with a shipment is identified; and 2) an expedited—meaning days or weeks—yet non-binding review by neutral experts to analyze the technical aspects of the dispute. New procedural obligations should allow parties to avoid formal dispute settlement, enhancing the ease of trade in food and agriculture while ensuring that importing countries remain accountable and transparent.

Because U.S. food and agricultural exports contribute significantly to long term U.S. export growth potential, the PEC supports U.S. government efforts to facilitate agricultural trade among TPP member countries and to address some of the unique trade barriers which arise. Adoption of such measures can bolster U.S. agricultural export growth and support America's farmers, ranchers, and food processors.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McNerney". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jim McNerney

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