

**Written Submission of the Emergency Committee for American Trade
For the Hearing on the Trans-Pacific Partnership Negotiations
Before the Trade Subcommittee of the House Committee on Ways and Means**

December 14, 2011

This testimony is submitted on behalf of the Emergency Committee for American Trade – ECAT – an association of the chief executives of leading U.S. business enterprises with global operations. ECAT was founded more than four decades ago to promote economic growth through expansionary trade and investment policies. Today, ECAT’s members represent all the principal sectors of the U.S. economy – agriculture, finance, high technology, manufacturing, merchandising, processing, publishing and services. The combined exports of ECAT companies run into the tens of billions of dollars. The jobs they provide for American men and women – including the jobs accounted for by suppliers, dealers and subcontractors – are located in every state and cover skills of all levels. Their collective annual worldwide sales total over \$2.7 trillion, and they employ more than 6.2 million persons. ECAT companies are strong supporters of negotiations to eliminate tariffs, remove non-tariff barriers and promote trade liberalization and investment worldwide, all of which promote America’s economic growth and prosperity, create good-paying jobs and help increase the standard of living for all Americans.

ECAT also serves as Secretariat to the U.S. Business Coalition for TPP.

Opportunities Presented by the TPP Negotiations

ECAT strongly supports the United States’ goal to negotiate a high-standard and comprehensive 21st-century Trans-Pacific Partnership (TPP) agreement that will provide commercially meaningful access for all commercial sectors and sub-sectors of the U.S. economy. In embarking on these negotiations, the current TPP negotiating partners – Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam – all agreed to seek a comprehensive and ambitious agreement. This core objective was reinforced at the Honolulu APEC Leaders’ Summit, where Leaders from the TPP countries reaffirmed their “common vision to establish a comprehensive, next-generation regional agreement that liberalizes trade and investment and addresses new and traditional trade issues and 21st-century challenges.” In negotiating this agreement, these countries and their business sectors and other stakeholders have also recognized that a successful TPP negotiation will result in the expansion of the TPP to include other major Asia-Pacific economies. To achieve this goal, it is vital that the final TPP agreement be comprehensive, high-standard and commercially strong and not allow subsequent acceding economies to join with lower standards, weaker disciplines or more-limited market access.

The importance of concluding a comprehensive and commercially meaningful TPP that can form the template for the next century of trade relations cannot be overstated. Together, the current eight TPP negotiating partners of the United States already represent the United States’ fourth-largest trading partner, with two-way goods trade in 2010 of nearly \$170 billion. U.S. goods exports to the eight countries totaled \$89 billion in 2010 and U.S. goods imports from them totaled \$81 billion that same year. U.S. cross-border services exports to these countries totaled nearly \$28 billion, and U.S. imports

of services from them equaled approximately \$13 billion in 2010. U.S. foreign direct investment in the eight Trans-Pacific countries exceeded \$297 billion, and their investment in the United States equaled over \$72 billion in 2010. With the strong potential for expanding the ultimate agreement to other important countries in the Trans-Pacific corridor, the economic relationship this agreement advances could be even more substantial.

Achieving a high-standard TPP will also create the basis for the United States to expand partnerships with other acceding countries on the basis of a high-standard, comprehensive and 21st-century TPP. Indeed, from ECAT's perspective, the TPP should be viewed as a building bloc that could eventually bring other major trading nations, including Canada, Japan, Mexico, and others, into a common set of rules and market-opening that will provide even greater benefits for the United States. Rather than being on the sidelines as many Asian nations conclude their own trade and investment agreements, the United States will be an equal and active participant in the most important new trade liberalization effort in the region, able to shape it and ensure that it promotes America's interests.

As well, the TPP represents an important opportunity to strengthen alliances with each of the participating countries that will aid the United States as it seeks to advance other national priorities.

Core TPP Negotiating Objectives

The TPP negotiations provide an unparalleled opportunity to forge a stronger template for regional trade agreements that takes into account the international economic integration that will advance through the 21st century. Strong market-opening for agricultural and manufactured goods and services and strong rules and mechanisms to protect and promote investment and intellectual property, are absolutely vital. ECAT also recognizes that improvements to traditional agreements can and should be made to create the type of agreement that addresses new realities and challenges, from global supply chains to regulatory barriers.

As Secretariat to the U.S. Business Coalition for TPP, ECAT fully endorses the core negotiating principles outlined by the TPP Coalition, and urges the negotiation by mid-year 2012 of a TPP agreement that will:

- Be comprehensive and commercially meaningful;
- Simplify trade and enhance U.S. competitiveness;
- Facilitate trade and strengthen production and supply chains;
- Enhance regulatory coherence;
- Adopt the highest standards of intellectual-property protection;
- Promote and protect outbound and inbound investment;
- Improve transparency and reduce corruption;
- Promote open procurement opportunities;
- Promote fair competition and a level playing field;
- Lower prices, expand consumer choice and enhance competitiveness;
- Prohibit the roll-back of market access or core protections;
- Serve as a "living" agreement that welcomes additional parties and evolves to address new trade and investment issues as they arise; and
- Promote the rule of law and the protection of the environment and workers in the TPP countries

1. **Comprehensiveness**

To be successful in achieving the goals of economic growth and opportunity, the TPP countries have recognized that the final agreement must be comprehensive. The TPP Trade Ministers' Report to

Leaders, which was endorsed by the TPP Leaders in Honolulu in November 2011, identified five features that will “define” the final TPP agreement. The first feature was comprehensiveness:

1) Comprehensive Market Access

We have agreed to pursue an agreement that is comprehensive and ambitious in all areas, eliminating tariffs and other barriers to trade and investment. The nine countries recognize that by doing so, we can best promote trade and investment among us and create and retain the jobs that trade supports. We have made headway in our work to negotiate the market access packages for goods, services and investment even as we work to address the specific sensitivities between us and build upon previous free trade agreements. Our goal is to have comprehensive, duty free access to each other’s goods markets and restrictions on services lifted simultaneously so as to create new opportunities for our workers and businesses and immediate benefits for our consumers.

Source: TPP Trade Ministers’ Report to Leaders, Endorsed by TPP Leaders, Nov. 12, 2011.

Though every country has particular sensitivities, exempting certain products, services, sub-sectors or core rules will undermine the value of the final agreement, by setting in motion a dynamic that will provide leverage to current and future TPP countries to take their sensitive items off the table. The result would be a least-common-denominator outcome that would thwart the high ambitions and economic potential that all TPP negotiating countries and their citizens seek. For this reason, ECAT believes that the adoption of a comprehensive approach to the TPP is vital to achieve the maximum commercial benefits for every TPP economy.

2. Simplifying Trade and Investment

In order to promote a 21st-century agreement, ECAT also believes that it is vital for the TPP to simplify trade and investment in ways that will promote greater openness and the competitiveness of many of America’s key industries in the international economy. Achieving an agreement with comprehensive elimination of tariffs and non-tariff barriers, simple rules of origin and strong and clear rules that apply to all countries will go a long way to improving past trade agreements. In addition, two of the new issues that negotiators are working on in the TPP negotiations are particularly important: production and supply chains and regulatory coherence. Both are important areas and more work is needed to reap the benefits that these negotiations hope to achieve.

a. Production and Supply Chains/ Trade Facilitation

From information and communications-technology products to consumer products, goods are increasingly being produced in multiple production stages across multiple countries, all linked via trade and investment. This means that promoting exports, trade facilitation and reduced barriers is important not just for the U.S. parents, but also for their foreign affiliates. As documented in ECAT’s study, *Mainstay IV: Technology, Trade and Investment: The Public Opinion Disconnect* (2003), these global supply chains provide important benefits to the United States in terms of higher productivity, research and development and higher-paying U.S. jobs.

As a result, it is important for the TPP countries to reflect that commercial reality in the final agreement, creating greater openness and continuity, not just port-to-port, but from the origin of a product or service through to its delivery to the final customer. In addition to customs issues, key issues include:

- The development of coherent risk- and science-based standards and regulations;
- Investment access and protection, including with respect to distribution, logistics and transportation sectors; and
- Infrastructure, including ports, roads, and the connections to ports and transportation hubs.

ECAT is seeking a higher level of ambition on this issue from the TPP negotiators so that concrete work to eliminate barriers and create greater connectivity between our markets can be achieved and is built into the TPP mechanisms going forward.

With regard to trade facilitation, transparent and predictable customs processes and procedures are important. Globally, U.S. businesses now face a patchwork of different FTA rules of origin and other customs rules that undermine their success, as they find it time-consuming and extremely costly to track and certify to a multitude of different requirements. In some cases, businesses will forgo the tariff benefit of the FTA, rather than mastering the labyrinth of different rules and certifications to get the tariff benefit. This issue should be addressed directly in the TPP by developing a simple, harmonized rule of origin and common trade-facilitation rules that will benefit all participants.

In order for this agreement to really produce the most benefits for the United States and other Trans-Pacific negotiating partners, the TPP rules of origin must be simple, transparent and easy to administer. In order to reduce compliance costs and create a more trade-facilitative environment, the TPP should also include a chapter on Customs Administration and Trade Facilitation similar to that of other recent FTAs. For U.S. businesses, both large and small, harmonized and clear customs rules are vital to promote commerce and greater opportunities. As discussed above, each of these issues must be considered in the context of the importance of global supply chains in promoting trade and investment among the TPP countries.

b. Regulatory coherence

TPP negotiators are also working to achieve greater coherence on regulations to promote more efficient, safe and competitive exports throughout the TPP region. ECAT has urged negotiators to explore ways to incorporate into all aspects of the TPP key principles to promote regulatory coherence and transparency, including:

- Reducing regulatory complexity, duplicative regulations, regulatory inconsistencies and opportunities for regulatory arbitrage;
- Promoting regulatory coordination, coherence and, where appropriate, harmonization;
- Promoting wider acceptance of mutual recognition arrangements with regard to regulatory matters (whether unilateral, bilateral or multilateral);
- Improving domestic regulatory regimes and ensuring that regulations and standards are developed through an open, voluntary, and consensus-based process; and
- Ensuring standards and regulations are publicly available and vendor neutral.

During the negotiations, ECAT urges negotiators to identify areas where they can come to agreement related to particular sectors as well. For example, ECAT urges negotiators to include specific commitments to improve laboratory testing procedures for product registration and import approval for food products. Commitments could include an independent “referee” process to resolve disputes or anomalies between importing government tests and exporter tests. Process reforms could include the creation of a dossier of agreed, validated test methods, a process to refer testing to an independent

reference laboratory to resolve disputes, and a mechanism for information exchange between national import-test authorities to facilitate capacity building and information exchange on import-related testing.

In addition to making progress during the negotiations, TPP negotiators should create concrete mechanisms that will operate after the agreement is negotiated where regulators from all the TPP countries can continue to work together and make progress on these issues.

3. Promotion and Protection of Foreign Direct Investment

Investment rules have become a commonplace part of U.S. trade agreements from NAFTA onward. The investment rules are a critical part of ensuring that the benefits of virtually all aspects of the agreement are realized, given the important role that investment plays in promoting exports, U.S. innovation and other benefits for the U.S. economy, U.S. companies and U.S. workers. Contrary to some speculation, U.S. investment abroad is not a substitute for activity in the United States, but largely *complements and enhances the economic opportunities created in the United States*:¹

- ***U.S. investment overseas is a magnet for U.S. exports and U.S. access to foreign markets.*** U.S. companies that invest overseas play a disproportionate role in exporting goods and services beyond our borders. These companies generated nearly half (45.2 percent) of total U.S. goods exports, while only accounting for about a quarter of total U.S. private-sector output in 2007. U.S. investment overseas is largely about reaching foreign customers, *not* about outsourcing for re-sale back to the United States as some claim. Of the \$4.7 trillion in sales made by foreign affiliates, only about \$500 billion (or 10.6 percent) of all sales were made back into the United States in 2007; the remainder (nearly 90 percent) went to foreign customers.
- ***U.S. investment overseas strengthens U.S. companies and expands opportunities for U.S. workers, with globally engaged companies paying higher compensation to U.S. workers*** than companies that are not invested abroad. Increased exports and sales abroad strengthen U.S. companies that are better able to support employment domestically. On average, U.S. workers at globally engaged companies earned 18.7 percent more than U.S. workers at non-globally engaged companies in 2007.
- ***U.S. investment overseas spurs the productivity and competitiveness of U.S. firms and their workers***, with globally engaged U.S. firms accounting for nearly 25 percent of total U.S. output, 31 percent of all private-sector investment in the United States and about 74 percent of total U.S. research and development in 2007.
- ***U.S. investment overseas supports other important U.S. national objectives, including:***
 - Economic development, the rule of law and improved stability in developing countries;
 - Stable access to energy and other natural-resource supplies;
 - Continued U.S. leadership in creating new and advanced technologies; and
 - Improved protections for intellectual property.

To promote growth-producing foreign investment that benefits the United States and helps make the other parts of the TPP work, ECAT strongly urges that the investment negotiations seek to include high-provisions that open foreign markets to U.S. investment on a pre-establishment and negative-list basis, provide high-standard protections for U.S. investment in all sectors and provide for neutral and effective

¹ **Sources:** *Global Investments, American Returns (GIAR)* (1998 and 1999 Update), Matthew Slaughter, Published by Emergency Committee for American Trade; *U.S. Multinational Companies: Operations in 2006*, Raymond J. Mataloni Jr., BEA (Nov. 2008); *How U.S. Multinational Companies Strengthen the U.S. Economy: Revised Update* (2010), Matthew Slaughter, Published by Business Roundtable and United States Council Foundation.

international arbitration to resolve disputes between investors and the host country. It is vital that all countries agree to all aspects of the investment disciplines.

4. Market Access for Consumer and Industrial Goods

ECAT is urging negotiators to achieve a TPP that eliminates all tariff and non-tariff barriers that impede U.S. access of consumer and industrial goods into the markets of our TPP negotiating partners.

The comprehensive elimination of tariffs would set an important example for future trade-agreement partners, as well as for multilateral negotiations.

Of equal, if not greater, importance is the need to eliminate non-tariff barriers to trade in the Trans-Pacific corridor, which can take many forms, including discriminatory national standards, unfavorable license requirements, onerous labeling and certification requirements, lack of regulatory harmonization and consistency, anti-competitive pricing and reimbursement policies, costly customs valuation policies and cumbersome customs procedures. Such barriers and others limit market access and distort efficient trade flows of goods to the detriment of the United States as well as the other TPP negotiating partners. Their elimination would help spur U.S. exports and increase efficiency and economic rationality in the global marketplace. As discussed above, a strong focus on regulatory coherence and reducing regulatory complexities and inconsistencies will be vital to achieve these goals.

5. Market Access for Agricultural Products

The elimination of tariff and non-tariff barriers in the agricultural markets of our TPP negotiating partners is also essential, including import restrictions such as quotas, tariff-rate quotas and non-tariff barriers. In particular, ECAT is urging our negotiators to achieve:

- A comprehensive agreement that does not exempt any commodity or product. To do otherwise would open the door to myriad exceptions that will substantially undermine the opportunities for the United States' competitive agricultural and non-agricultural sectors.
- Substantial reduction and elimination of agricultural tariffs, with deep cuts as early as possible to reduce prohibitively high tariffs.
- Elimination of non-tariff barriers, including arbitrary and unjustified sanitary and phytosanitary barriers to trade in agricultural products.

6. Market Access for Services

Given the importance of services to the U.S. economy, ECAT is urging negotiators to achieve substantial openings in all key service sectors. ECAT strongly supports the negative-list approach adopted in other recent U.S. FTAs and very limited non-conforming measures to ensure significant market-opening. As well, ECAT supports strengthening commitments on the establishment and protection of foreign investment, as discussed above. Dismantling barriers will have positive economic effects on the U.S. service sector, helping to stimulate growth in one of our most vibrant sectors and enhancing U.S. competitiveness and opportunities for U.S. companies and their workers.

Key objectives of the FTA services negotiations should include the following:

- Providing national treatment and most-favored-nation rules to advertising, audiovisual, computer and related services, construction, education, distribution, energy, express delivery,

environmental, financial, information technology, medical, print media and publishing, retail, basic and value-added telecommunications and wholesaling services;

- 100-percent ownership, as well as the right to establish in corporate form of choice (including the elimination of equity caps);
- Allowing foreign financial-services firms to provide services cross-border to sophisticated clients (i.e., "qualified investors") without establishing a commercial presence and without being subject to separate licensing and approval requirements of the type that generally apply to firms commercially present in a market;
- Permitting consumers to travel outside their territories to obtain any capital markets-related service;
- Eliminating economic-needs tests;
- Permitting dissemination and processing (within country and cross-border) of financial and other information to provide clients with services necessary for the conduct of ordinary business; and
- Committing to procedural aspects of regulatory transparency in all regulated service sectors, including in particular financial-services regulations, where there is a need to ensure equal access to regulatory information through standard notice and comment periods and the adoption of a negative-list regulatory approach.

In developing a 21st-century agreement, the Administration should build on the best provisions from recent agreements, such as those in the U.S.-Korea Free Trade Agreement. For example, the U.S.-Korea FTA includes specific commitments allowing U.S. financial institutions with operations in Korea to transfer information out of Korea for processing. The FTA also allows financial institutions to perform certain functions, such as trade and transaction processing, in their home office rather than requiring that those activities be conducted by a local affiliate. ECAT would like to see further progress on the data transfer and other commitments in the TPP negotiations.

7. Intellectual Property Rights

Intellectual property and the innovation and creativity it facilitates are major contributors to U.S. economic growth, employment and success in the global economy. The protection of intellectual property rights is, therefore, an integral component of U.S. trade and investment policy that is necessary to support continued U.S. competitiveness worldwide. Such protections are critical in order to promote innovation and new research in the information technology, pharmaceutical and chemical sectors, to name just a few, and to stimulate a rich and diverse marketplace for the development and publishing of business information and literary, musical, film and other artistic and creative works. Strong intellectual-property rules and effective enforcement are necessary to eliminate pirating, counterfeiting and other activities that undermine U.S. research and development and artistic and other activities. ECAT, therefore, strongly supports the negotiation, implementation and enforcement of intellectual-property protection provisions stronger than those in the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the existing FTAs, including measures to ensure that IPR protection and enforcement keep pace with technological developments and new distribution methods.

It is important that the TPP include a strong intellectual property chapter, with protections similar to those found in U.S. law and our FTAs with Chile, Singapore, Australia, Morocco, Bahrain and Central America and the Dominican Republic and build upon other global standards, including the WTO TRIPS Agreement, the WIPO Copyright Treaty (WCT), the WIPO Performances and Phonograms Treaty (WPPT) and the Berne Convention. The FTA should also ensure transparent and consistent enforcement procedures for intellectual property. ECAT urges that the basis for TPP negotiations should be the IP Chapter of the Korea FTA, which includes anti-camcording and strengthened signal-

piracy language and provisions criminalizing end-user piracy and counterfeiting and providing the authority to seize and destroy not only counterfeit goods but also the equipment used to produce them.

The intellectual property chapters of the Peru, Panama and Colombia trade agreements were modified after their original negotiation as part of the Congressional-Administration trade deal in 2007 in ways that limit intellectual-property protections for pharmaceutical products. ECAT strongly supports efforts to promote effective solutions to address health emergencies throughout the world but remains very concerned that too much emphasis is being placed on weakening intellectual-property-rights protections as the primary solution to a much-more complicated problem. This is particularly a problem given that it is precisely intellectual-property-rights protections that foster the development of the pharmaceuticals necessary to treat and, one day, cure and prevent many diseases. Furthermore, the scope of these changes goes far beyond public-health emergencies in several areas, notably patent-term extension, patent linkage and data protection. In these areas, one of the United States' most competitive industries and its workers are unfairly being undermined. ECAT urges negotiators not to include these weakened provisions in the TPP, but rather to seek standards that are in the interest of innovative U.S. industries and their workers, as well as those throughout the world that rely on the innovative medicines that a strong intellectual-property system promotes.

8. Government Procurement

Government procurement comprises a significant share of the global economy, representing from 10-to-15 or even 20 percent of the gross domestic product (GDP) for many countries around the world. More efficient, accountable, competitive and transparent government-procurement structures are increasingly critical for all governments, as they seek to provide their citizens with the highest-quality goods and services within significant fiscal constraints. Strong rules on access, accountability and transparency in government procurement are vital for U.S. businesses and their workers to compete effectively in the global market place. The high-standard and reciprocal government-procurement obligations that the United States has with Australia, Chile, Peru and Singapore should be extended through the TPP to Brunei, Malaysia, New Zealand and Vietnam.

9. Electronic Commerce/Digital Economy/Communications

Electronic commerce (e-commerce) and technology are increasingly important venues for international trade that are now used in all sectors of the economy and will become increasingly important in the next decade. As a result, negotiations should ensure that trade and investment rules promote, rather than inhibit, the growth of the digital economy. Strong principles promoting e-commerce and technology will enhance the competitiveness of U.S. companies producing and consuming these goods and services for the benefit of the broader U.S. economy. In this regard, the final TPP should include the following types of provisions:

- The elimination of tariffs for all information and communications technologies (ICT) not already covered by the Information Technology Agreement;
- Liberalization of key service sectors, including computer and related services, telecommunications services, ICT-enabled services, audio-visual services and “green” digital services;
- Improvements in regulatory transparency and the participation of all parties in standard setting;
- A permanent moratorium on customs duties on electronic transmissions and digital products and guarantees of national treatment and non-discrimination for such products;
- Elimination of technical barriers to trade;

- Facilitate a robust communications infrastructure that is critical to creating an innovation economy, including through implementing APEC key principles for universal broadband deployment and encourage a more efficient use of the radio frequency spectrum to facilitate access to the Internet and the introduction of new and innovative services, while taking into account public-interest objectives.

10. Competition

Another area important to ECAT and its companies is the inclusion of a robust competition chapter that improves transparency and prevents trade-distorting uses of competition law. Building upon the competition commitments set forth in the U.S.-Australia FTA and the more advanced rules in the U.S.-Korea FTA, the TPP should ensure strong due-process provisions, including opportunities for a hearing, to review and rebut evidence, to cross-examine witnesses and for judicial review. In addition, the TPP should require each Party to have the authority to resolve administrative or civil-enforcement actions by mutual agreement with the entity that is the subject of such actions. Lastly, the agreement should require that a Party to the agreement publish rules of procedure for administrative hearings, including rules for introducing evidence to promote fair and transparent procedures in enforcement actions.

The TPP should also look to build upon provisions that will ensure a level playing field for government enterprises and state-owned enterprises that were originally included in the U.S.-Singapore FTA to ensure that state-owned enterprises do not discriminate or distort market conditions and that they purchase and sell goods and services in a non-discriminatory manner based on commercial considerations.

11. Transparency

Transparency, both in terms of the open flow of information and the accountability of government officials, is a vitally important component in eliminating barriers to trade and investment and promoting economic growth and reducing poverty worldwide. Opaque government processes, in areas ranging from regulatory rulemaking and certification and approval processes to government procurement and government-supported standard-setting activities, impede competition and lend themselves to corruption and discriminatory practices. Multiple and non-transparent bureaucratic structures also impede fully fact-based and efficient decision-making, undermining the ability of governments to promote most efficiently and effectively the welfare of their citizens. With its long history of governmental transparency, the United States has been an important leader on transparency in international organizations and in the negotiation of strong provisions to promote transparent and predictable regulatory and rulemaking procedures across all sectors in its recent free trade agreements.

Much work has been done on transparency in U.S. trade agreements. In addition, APEC has made great strides in promoting transparency principles and standards, including with the General Transparency Standards agreed to by the APEC Leaders and the Area-Specific Transparency Standards and Individual Action Plans that APEC members have been working on subsequently. These principles should be included in the final TPP.

12. Living Agreement

TPP's greatest potential lies in its ability to establish a framework to bring other Asian-Pacific economies into a comprehensive, high-standard and commercially meaningful agreement that can continue to address new and changing market-access issues into the future. To do so, the TPP must seek

to welcome new members who agree to adopt high-level and comprehensive commitments to market opening and strong disciplines across all sectors of the economy and to create mechanisms that will advance liberalization and integration after the agreement is finalized.

a. Consideration of New TPP Members

At this time, several countries – Canada, Japan and Mexico – have expressed an interest in potentially joining the TPP agreement and other countries have had discussions with TPP countries to explore potential membership. ECAT strongly welcomes the interest of all of these countries in joining the TPP negotiations, and supports their inclusion in the TPP in a manner that advances the accomplishment of a comprehensive, high-standard, and commercially strong outcome and the timely conclusion of these negotiations, as outlined by the TPP Leaders. The entry of new countries into the TPP (either at the current negotiating stage or when the agreement is reached) should depend upon each country's firm and unwavering commitment to:

- Fully comprehensive and commercially meaningful coverage and market access to all of its agriculture, manufacturing and service sectors and sub-sectors, with no exclusions;
- Full adoption of strong disciplines across all of the TPP negotiating sectors, starting with intellectual property, investment, technical barriers to trade, and sanitary and phytosanitary measures; and
- Agreement on ambitious new disciplines, including with respect to production and supply chains, state-owned enterprises, environmental goods and services and regulatory coherence.

Vitaly important as well is whether the inclusion of new countries will contribute to the momentum of the negotiations, which the TPP Leaders agreed to seek to conclude by 2012. This will require a country's full commitment to the principles identified above and agreement to the high-standard rules already agreed to by the existing TPP negotiating partners.

b. Mechanisms to Promote Greater Integration

The TPP must also be negotiated to be a living, not a static, agreement that can continue to address new regulatory, trade-facilitation and other issues that will arise in years to come. To do so, the TPP countries should develop strong mechanisms with clear and time-delineated agendas to promote continued liberalization and greater integration.

CONCLUSION

Achieving a TPP that is comprehensive, high-standard and commercially significant is vital to provide important new commercial and economic growth opportunities for both the United States and its TPP negotiating partners and to put in place new rules to enhance U.S. competitiveness in the international economy for decades to come. ECAT looks forward to working with the U.S. Government and the Congress, including the House Committee on Ways and Means, to achieve that result by mid-year 2012 for the benefit of American farmers, manufacturers, service providers, workers and communities.