

United States Senate

WASHINGTON, DC 20510

November XX, 2012

President Barack Obama
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

As the economy continues to recover, a major priority of the American people and of your Administration has been preventing the outsourcing of good American jobs. In the context of trade policy, we believe, like you, that trade when done right should create and preserve good American jobs instead of outsourcing them. As your Administration has stated, a balanced trade agenda means opening markets for U.S. exporters and keeping faith with workers here at home.

Pursuing such a balanced trade agenda requires that your Administration and Congress work together. Nowhere is such cooperation on trade more urgent than in the ongoing negotiations on the Trans-Pacific Partnership (TPP), a vast, multi-country free trade agreement that will have a significant effect on global trade and investment. It should be crafted to maximize good job creation and market expansion while minimizing the incentives for further off-shoring of middle class jobs.

With that objective in mind, as you and your United States Trade Representative continue negotiations on a TPP, we respectfully urge you to:

- Maintain “Buy American” government procurement requirements. The American people, through their elected officials, should not be prohibited from establishing government procurement policies that prioritize job creation in the United States. We hope that you will direct USTR negotiators to ensure that any TPP not restrict “Buy American” and “Buy Local” government procurement policies at the federal or sub-federal level.
- Require strong Rules of Origin. The Rules of Origin in the TPP should ensure that only signatories to the TPP will benefit from its increased market access and other provisions so that employment opportunities in the U.S. may be expanded. Non-TPP members must not be allowed to use weak rules of origin as a backdoor way to enter the U.S. market and further depress U.S. job prospects.
- Ensure that State-Owned and State-Supported Commercial Enterprises (SOEs) operate on a level playing field. Given that SOEs are more common in the other TPP countries than in the U.S., the TPP should require that SOEs competing with private U.S. enterprises operate and make decisions on a commercial basis. The agreement should also incorporate a reporting requirement so that countries have to provide information on the operation of their SOEs in other TPP countries on a regular basis.

- Safeguard against investment and service sector rules that provide incentives for the off-shoring of both good manufacturing and service sector jobs. These rules should not grant corporations extreme protections that help them relocate investment and jobs overseas, especially because this deal includes Vietnam, a low-wage, weak-labor rights off-shoring alternative to China—and may include other, similar countries in the future.
- Include an enforceable obligation to protect fundamental labor rights. A country that denies these rights to workers is providing a hidden subsidy that keeps wages artificially lower than they otherwise would be if workers were free to organize and bargain—a subsidy that makes U.S.-based producers less cost-competitive. The free exercise of fundamental labor rights is key to improving the standards of living and expanding export markets while labor suppression merely ensures that middle classes—and export markets—will be smaller than they otherwise would be.
- Safeguard against currency manipulation. To prevent the artificial suppression of job-creating American exports, the TPP must explicitly allow countries to respond to and offset currency manipulation.

If your Administration pursues these basic negotiating objectives and collaborates with Congress during the negotiations—ahead of the ratification debate—we are confident that the TPP can become a tool for job creation that helps rebuild a national consensus on international trade policy. We look forward to working with you and the USTR to ensure that the TPP meets the crucial goals of opening markets to American exports and keeping faith with American workers. Should you have any questions, please do not hesitate to contact any of us.

Sincerely,

Al Franken
United State Senator