

May 26, 2023

The Honorable Gina Raimondo  
Secretary  
U.S. Department of Commerce  
1401 Constitution Ave.  
Washington, DC 20520

The Honorable Katherine Tai  
United States Trade Representative  
Executive Office of the President  
NW 600 17th Street NW  
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai:

The U.S. business and agriculture community welcomed the administration's launch of the Indo-Pacific Economic Framework (IPEF) talks to advance U.S. commercial interests in a critical region. We are eager to support stronger U.S. engagement in the Indo-Pacific region and to work in partnership with the administration and our regional allies to promote fair and inclusive trade, supply chain resilience, and the clean economy transition. However, we are growing increasingly concerned that the content and direction of the administration's proposals for the talks risk not only failing to deliver meaningful strategic and commercial outcomes but also endangering U.S. trade and economic interests in the Indo-Pacific region and beyond.

The U.S. business and agriculture community regrets the administration's decision not to engage in negotiations to remove tariffs and other market access barriers facing U.S. manufacturing, services, financial services, and agricultural exports. However, it is unclear why some traditional U.S. trade priorities that could deliver meaningful benefits for American exporters are being sidelined in the IPEF talks. For example, the United States has long pursued trade rules that seek to address standards-related and other technical barriers to trade, measures that discourage trade in remanufactured goods, inadequate intellectual property protections, and sector-specific regulatory barriers that impede exports of autos, chemicals, cosmetics, pharmaceuticals, medical devices, and ICT products; the same is true for sanitary and phytosanitary standards and their importance to U.S. agricultural exports. Obtaining IPEF commitments in these areas would help facilitate trade in sectors where the competitiveness of U.S. companies is stymied by the proliferation of non-tariff barriers overseas. These barriers also undermine supply chain resiliency, potentially sapping the benefit of future IPEF commitments. The administration's interactions to date with the stakeholder community offer no insight into how or why these non-market access issues of high importance to trade have been left out of the IPEF talks.

Further, we are deeply concerned about statements from U.S. officials and reports from the third IPEF round that suggest the administration is wavering in its promotion of high standard rules for digital trade. Data is the lifeblood of today's global economy, underpinning and enabling businesses of all sizes and in all sectors, including in manufacturing, which is increasingly data-driven. Rules in recent U.S. trade agreements seek to ensure that data can flow freely across borders, businesses and entrepreneurs are not compelled to relinquish proprietary data, and the digital output of creative industries is not disadvantaged by the mere fact that it is owned by Americans or produced in the United States. Nothing in the rules concluded by the United States and its democratic allies—including in the USMCA, which secured large, bipartisan congressional majorities—inhibits the ability of governments to regulate in the interest of privacy, protection against bias, pursuit of fair market competition, or other public policy objectives. These rules are integral to U.S. political and economic values.

The United States should use the IPEF talks to build on the outcomes achieved in past negotiations and address evolving challenges to U.S. trade. An IPEF that instead derogates

from these outcomes and abandons the core principle of nondiscrimination risks doing material harm to U.S. economic interests by emboldening restrictive foreign trade and data practices, undermining the efforts of like-minded allies to promote high standard global norms, and ceding U.S. leadership on rulemaking for the digital economy.

Getting these trade rules right matters to the 41 million Americans whose jobs depend on trade, the manufacturers who export nearly half of all U.S. industrial production to customers abroad, the service providers whose ability to tap export markets is being transformed by digital technologies, and the farmers and ranchers for whom export markets at times represent more than half of sales. A “worker centric” trade agenda must reflect how American companies and the workers they employ suffer together when we are barred from selling the goods and services we produce in foreign markets.

In light of the concerns cited above, we strongly urge the administration to change course and use the IPEF to deliver outcomes that advance the interests of American workers, farmers, and companies.

Sincerely,

ACT | The App Association  
American Chemistry Council  
American Council of Life Insurers  
American Forest & Paper Association  
American Petroleum Institute (API)  
American Seed Trade Association (ASTA)  
Autos Drive America  
BSA | The Software Alliance  
Business Roundtable  
Coalition of Services Industries (CSI)  
Computer and Communications Industry Association (CCIA)  
Consumer Technology Association  
CropLife America  
Distilled Spirits Council of the U.S.  
Global Data Alliance  
Hardwood Federation  
Information Technology Industry Council (ITI)  
International Dairy Foods Association  
International Fresh Produce Association  
Leather & Hide Council of America

MEMA, The Vehicle Suppliers Association  
National Association of Manufacturers  
National Foreign Trade Council  
National Pork Producers Council  
National Retail Federation  
North American Association of Food Equipment Manufacturers (NAFEM)  
North American Meat Institute  
Pharmaceutical Research and Manufacturers of America (PhRMA)  
Retail Industry Leaders Association  
Securities Industry & Financial Markets Association (SIFMA)  
Software & Information Industry Association (SIIA)  
United States Council for International Business  
U.S. Apple Association  
USA Rice  
U.S. Chamber of Commerce  
U.S. Dry Bean Council

cc: Jake Sullivan, National Security Advisor  
Lael Brainard, Director of the National Economic Council  
The Honorable Antony Blinken, Secretary of State  
The Honorable Tom Vilsack, Secretary of Agriculture  
Members of the House Committee on Ways and Means  
Members of the Senate Committee on Finance