

United States Senate
Washington, D.C., 20510

Dear Senator:

The undersigned associations and companies express their strong opposition to the proposed Senate Amendment No. 1266 (SA 1266) to the bipartisan *Congressional Trade Priorities and Accountability Act of 2015* (CTPAA). Collectively, we represent significant sectors of the U.S. economy including agriculture, manufacturing, merchandising, processing, retailing and services.

As a group, we object to SA 1266 because CTPAA already provides a robust role for the Congress in both the decision to enter into negotiations with new entrants to an existing trade agreement and the conduct of negotiations with that new entrant. Therefore, under the provisions of CTPAA, the Administration would be required to consult with Congress and public stakeholders before initiating negotiations with the People's Republic of China (China) to join the Trans-Pacific Partnership (TPP). During such pre-negotiation consultations, discussion would be held about whether China could comply with the terms of the already negotiated TPP text. To the extent that a discussion of China's status in regards to its transition to a market economy is relevant to China's ability to accede to the TPP, that topic would also be discussed during this consultation period.

However, the failure of a country to have completed a transition from a non-market to a market economy has never been seen by prior U.S. Administrations or the members of the multilateral trading system as a necessary prerequisite for making commitments to trade agreements. In fact, trade agreements have been seen as a means to assist these centrally-planned economies to evolve in a more market-driven direction. Trade agreements move countries to open their markets and put in place high-standard disciplines from transparency to fair competition. Therefore, history teaches that the process of negotiating a trade agreement is likely to move China towards adoption of these disciplines, which in turn will move China towards a more market-driven economy. Requiring that a future Administration certify that China has "fully transitioned" to a market economy removes trade negotiations -- which have historically been very effective at moving countries towards market-driven economic norms -- as a means to do just that.

For these reasons, we urge you to reject SA 1266 which would severely undermine the ability of the U.S. government to reach the aim of TPP to open markets in the Asian region and promote economic growth and job creation in the United States.

Sincerely,

ACE Group
Alliance for Healthcare Competitiveness (AHC)

American Feed Industry Association
Caterpillar Inc.
Coalition of Services Industries
The Corn Refiners Association
Emergency Committee for American Trade
Express Association of America (EAA)
Footwear Distributors & Retailers of America (FDRA)
Grocery Manufacturers Association
National Center for APEC
National Oilseed Processors Association
National Pork Producers Council
National Retail Federation
North American Meat Institute
Pfizer, Inc.
Securities Industry and Financial Markets Association
Semiconductor Equipment and Materials International (SEMI)
Software and Information Industry Association
United States Council for International Business
United States Fashion Industry Association
US-ASEAN Business Council
U.S. Chamber of Commerce
US-China Business Council
U.S. Hide, Skin and Leather Association