The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President:

We write in strong support of Buy American procurement policies, including additional policies and programs implemented since the enactment of the Buy American Act of 1933. We believe that it is crucial that you protect the integrity of Buy American preferences as you work to advance America’s trade policy.

We have seen that Buy American requirements have had a strong impact in creating good middle class jobs here in the United States (U.S.). For example, manufacturing employment gains from infrastructure investment can increase by one-third if strong domestic sourcing requirements are included. Furthermore, as a recent White House report noted, U.S. manufacturing plays an outsized role in supporting and driving American innovation, including 60% of all U.S. research and development employees, 75% of U.S. private sector research and development, and the vast majority of all patents issued in the United States. Meanwhile, support for Buy American policies unites Americans across party lines, with recent polls showing more than 90% support.

In May 2012, 70 members of the House of Representatives wrote to you raising concerns about proposals being considered in Trans-Pacific Partnership (TPP) negotiations that would greatly limit Buy American policies and thus adversely impact American jobs, workers, and manufacturers.

It is our understanding that now, two years later, U.S. TPP negotiators have agreed to provisions that would require all firms operating in any TPP signatory country to be treated the same as U.S. firms with respect to granting them U.S. government procurement contracts over a certain dollar threshold. We are concerned that implementing these “national treatment” terms would require us to waive our long-standing Buy American policies with respect to all firms operating in any TPP signatory nation.

Effectively, in exchange for procurement opportunities for some U.S. firms to bid on contracts in foreign procurement markets, we would agree to trade away our ability to ensure that billions in U.S. government expenditures are recycled into our economy to create jobs, strengthen our manufacturing sector, and foster our own new cutting-edge industries.

The potential gutting of Buy American preferences is even more alarming in the case of the TPP, given that the total U.S. procurement market is about twice the size of the combined procurement markets of all of the other TPP negotiating parties. U.S. firms already have preferential access to
six of the largest among these procurement markets under previous agreements and the U.S. procurement market is 24 times the size of the total prospective “new” TPP procurement market. Thus, there would be no prospect for American manufacturers to gain reciprocal market access.

These proposed TPP terms could result in large sums of U.S. tax dollars being offshored and invested to strengthen many other countries’ manufacturing sectors, rather than our own. Indeed, among the beneficiaries of the proposed TPP ban on Buy American preferences would be the many Chinese state-owned-enterprises in the one-party state of Vietnam.

Moreover, as you know, procurement policy established in trade agreements cannot be later modified without consent of all signatory countries. This would deprive Congress and U.S. state legislatures of their authority to modify procurement policies, even in the context of fundamentally changed national or international circumstances.

We know that you are eager to finalize a TPP, so we urge you to reconsider the current “national treatment” requirements included in TPP’s procurement chapter. Indeed, the recently-passed Fiscal Year 2015 Commerce, Justice, Science (CJS) House Appropriations bill that funds the Office of the U.S. Trade Representative explicitly forbids expenditure of funds to negotiate trade agreement terms that would require a waiver of Buy American policy and we hope this will become U.S. law.

Congress has established strong domestic procurement preferences that have directly benefited U.S. workers, companies, and our nation’s economy. Any prospective TPP agreement must not provide firms operating in the other TPP nations “national treatment” access to U.S. government procurement, since doing so would undermine the standards that Congress has set to support a strong domestic manufacturing sector. While we may have different views on other aspects of the prospective TPP, we are united in believing that inclusion of “national treatment” for U.S. government procurement in the agreement is completely unacceptable.

Thank you in advance for your consideration of our views. We look forward to working with you to fashion a more fair trade policy.

Sincerely,

DONNA F. EDWARDS
Member of Congress

WALTER B. JONES
Member of Congress

ROSA L. DELAURO
Member of Congress

HOWARD COBLE
Member of Congress
ALCEE L. HASTINGS
Member of Congress

AL GREEN
Member of Congress

JAN SCHAKOWSKY
Member of Congress

WILLIAM ENYART
Member of Congress

JOSE E. SERRANO
Member of Congress

LOIS CAPPS
Member of Congress

JOHN F. TIERNEY
Member of Congress

HENRY "HANK" JOHNSON
Member of Congress

BRAD SHERMAN
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KEITH ELLISON
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RAUL M. GRIJALVA
Member of Congress

CAROL SHEA-PORTER
Member of Congress

GARY PETERS
Member of Congress

JARED HUFFMAN
Member of Congress

DANIEL LIPINSKI
Member of Congress
cc: The Honorable Michael Froman, United States Trade Representative