U.S. GLOBAL VALUE CHAIN COALITION

December 10, 2018

Edward Gresser
Chair, Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

RE: Request for Comments on Negotiating Objectives for a U.S.-European Union Trade Agreement.
Docket Number: USTR-2018-0035

Dear Mr. Chairman:

These comments are being filed on behalf of the U.S. Global Value Chain Coalition – a coalition of U.S. companies and associations – that is on a mission to educate policymakers and the public about the American jobs and the domestic economic growth our companies generate through their value chains.

Global value chains include those jobs we traditionally associate with creation of a product – such as those in a factory or on a farm – as well as those positions involved in the conceiving of and delivery of those products – such as design, marketing, research and development, logistics, compliance and sales. Simply put, the global value chain accounts for all the jobs that add value to the good or service sold in the global marketplace. These positions are essential to the creation or sale of a good or service. Moreover, the jobs are here in the United States and are usually high-paying, accounting for much of the value that is paid at the register.

While we are not taking a position on the U.S./European Union (E.U.) trade agreement *per se*, we are writing to communicate our support for using these negotiations to maximize U.S. global value chains. We note that Congress, through the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 made "utilization of global value chains" a priority in the first two negotiating objectives– relating to goods and services – for trade agreements. Such a priority is well placed because, in today's global economy, global value chains measure the full impact of trade policies on jobs. This is particularly important with our trading relationship with the E.U.

Please consider the following:

- In the first ten months of 2018, two-way trade with the E.U. accounted for approximately $760 billion, equivalent to about 22 percent of total trade that transited our nation's ports. Cargo activities at our nation's seaports – imports, exports and domestic shipments – support more than 23 million American jobs and over a quarter of annual U.S. GDP.

- U.S. companies design and market consumer products in the United States that are produced around the world and sold in the E.U. Everyday items such as U.S. branded clothes, shoes, and backpacks that are produced abroad and sold in the E.U. contain high U.S. value in the form of design, quality control, marketing, and compliance.

- Chemicals imported from the E.U. make their way through a network of U.S. distributors employing tens of thousands of Americans into industries, employing millions, including agriculture, automotive, pharmaceuticals, textiles, plastics, paints and coatings, and more.

- Many products made in the E.U., are first designed and then distributed in the United States. Many materials are imported that are then used in the manufacture of finished products in the United States that are then consumed at home or exported abroad. Whether its shoes, fabrics, or other fashions from Italy, Germany, Portugal, or Spain, these imports support jobs throughout the United States.

These are just a few examples of how global value chains dependent upon trade with the E.U. create jobs and economic opportunities across the United States.

As you consider U.S. interests and priorities in developing specific U.S. negotiating positions for the U.S. E.U. trade agreement, we urge you to view these through the lens of U.S. global value chains. Maximizing the utilization of U.S. global value chains will benefit U.S. jobs and the U.S. economy.

Sincerely,

The U.S. Global Value Chain Coalition