EXECUTIVE OFFICE OF THE PRESIDENT THE UNITED STATES TRADE REPRESENTATIVE WASHINGTON, D.C. 20508

JUL 1 0 2012

The Honorable John Boehner Speaker U.S. House of Representatives Washington, D.C. 20515

Dear Mr. Speaker:

On behalf of President Obama, I am pleased to notify the Congress that we intend to include Canada in the ongoing negotiations of the Trans-Pacific Partnership (TPP) Agreement. As I stated in my December 2009 letter notifying the Congress of our intention to enter into the TPP negotiations, the United States views a TPP Agreement as a means to advance U.S. economic interests with the fastest-growing economies in the world and as a potential platform for economic integration across the Asia-Pacific region. In addition, a TPP Agreement will serve as a tool to expand U.S. exports, something that is critical to our economic recovery and the creation and retention of high-paying, high-quality jobs in the United States. Canada's participation in the TPP negotiations will contribute meaningfully to these goals and to the development of the high-standard, 21st century, regional trade agreement we are seeking.

Expanding the negotiations to include additional countries throughout the Asia-Pacific region has been a longstanding U.S. objective. Canada's participation advances this goal and further increases the economic significance of a TPP Agreement.

Canada is already the most significant destination for U.S. exports. In 2011, U.S. exports to Canada totaled \$337 billion, of which non-agricultural goods were \$262 billion, agricultural goods were \$19 billion, and services were \$56 billion. Last year, U.S. goods exports to Canada were up 13 percent from the previous year, and up 180 percent from 1993, immediately prior to the entry into force of the North American Free Trade Agreement (NAFTA). Canada's participation in a TPP Agreement will ensure that we have a cutting-edge agreement in place with this important trading partner that will further enhance our trade relationship and benefit U.S. workers, manufacturers, service suppliers, farmers, ranchers, small businesses, and consumers.

We have conducted in-depth discussions with Canada about the standards and objectives that the TPP countries are seeking, particularly in those areas where the standards or objectives are higher than those that exist in the NAFTA. Canada has assured us of its willingness to negotiate on these issues and its preparedness to achieve these high standards together with the other TPP countries.

We will continue to consult rigorously and extensively with Congress on all elements of the TPP as the negotiations proceed. As we have done thus far, we will work with Congress as we use the TPP Agreement to promote new technologies and emerging economic sectors, create new opportunities for U.S. small- and medium-sized businesses to increase exports to the region, and

The Honorable John Boehner Page Two

help U.S. firms participate in production and supply chains in order to encourage investment and production in the United States. In addition, we will continue to consult closely with Congress on elements related to environmental protection and conservation, transparency, workers rights and protections, and development.

We value the partnership we have established with Congress on the TPP negotiations and look forward to maintaining it as we set U.S. objectives and carry out negotiations to conclude this important new agreement.

Ambassador Ron Kirk

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EXECUTIVE OFFICE OF THE PRESIDENT THE UNITED STATES TRADE REPRESENTATIVE WASHINGTON, D.C. 20508

The Honorable Daniel Inouye President Pro Tempore United States Senate Washington, D.C. 20510 JUL 1 0 2012

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