

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

April 8, 2008

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

The President's Export Council commends your Administration's efforts in seeking a high level of ambition in the services negotiations in the Doha round. While we fully support your efforts to open services markets through bilateral and regional free trade agreements, the multilateral WTO negotiations present a rare opportunity to open markets to U.S. services around the world in a single stroke. Your continuing efforts to ensure services receive the same level of attention as agriculture and Non-Agricultural Market Access (NAMA) will be critical to the successful conclusion of a Doha agreement that will garner the support of the largest and fastest-growing sector of the U.S. economy.

The U.S. economy is a services economy. The services sector accounted for over 80 percent of U.S. private sector employment and nearly 78 percent of U.S. private sector GDP in 2006. It is, moreover, a sector where the United States has a strong comparative advantage, as demonstrated by the fact that the U.S. consistently runs a trade surplus in services. In 2007, U.S. exports of services were \$472.5 billion, with a surplus of \$104 billion. Sales of services by U.S. foreign affiliates were \$528.5 billion in 2005. A strong services economy benefits every American. Services jobs paid an average of \$53,275 annually in 2006, and the service sector is expected to generate 90 percent of all new jobs by 2012.

An often overlooked benefit of the services sector is that it also acts as a trade multiplier. Because U.S. services are among the most competitive in the world, they can help deliver U.S. manufactured and agricultural exports more competitively into foreign markets. Logistics, distribution, financial and telecommunications services, among others, facilitate trade in manufactured and agricultural goods. Therefore, the opening of global services markets is critical to amplifying the economic benefits of any market opening achieved through the agriculture and NAMA negotiations.

We understand that the Administration has been working closely with key trading partners to ensure that services remain one of the three major market access objectives of the Round, along with agriculture and NAMA. Ensuring success will require making progress in achieving bindings of current liberalization, plus new market access commitments resulting in new trade opportunities.

We are disappointed that many WTO Members do not share these objectives. Over the next few months the continued, determined effort of your negotiators to make other countries' senior officials and trade ministers fully aware that they must improve their service offers is critical.

The U.S. economy faces many challenges. It must remain the world's most innovative and competitive economy, and trade liberalization is an essential part of that effort. As we position ourselves for the future, we must capitalize on our strengths. We excel in services and need to retain that edge to retain our global economic leadership. An ambitious outcome in the Doha services negotiation is an essential component of our national economic strategy. We look forward to working with you to make that objective a reality.

Sincerely,

A handwritten signature in black ink that reads "Bill Clinton". The signature is written in a cursive style with a long horizontal stroke at the end of the word "Clinton".