



July 29, 2018

The President  
The White House  
Washington, DC 20500

Dear Mr. President

We write to congratulate you on your major economic policy accomplishments and to encourage you to keep this momentum by rolling back protectionist trade measures and rejoining the Trans-Pacific Partnership (TPP).

Tax reform and the roll back of burdensome regulatory red tape are paying off. The economy is humming on all cylinders. Strong job creation, rising wages, and initial jobless claims at their lowest mark in nearly 50 years are the latest signs that these policies are working for Americans.

But we also write to convey our strong concerns that this amazing run is at a growing risk from the tariffs imposed and threatened by your administration. As these tariffs escalate and other countries retaliate, the result is an incipient trade war that is taking a growing toll across the economy. The list of casualties is long and mounting. Indeed, while some firms have recently announced rosy earnings figures spurred by the benefits of tax cuts, they also projected the costs of tariffs will far outweigh the benefits of tax reform.

One seemingly positive exception is your recent announcement with European Commission President Juncker agreeing to de-escalate tariffs and instead pursue your zero-tariffs goal, including eliminating subsidies and other non-tariff barriers. This positive agenda, rather than waging a tariff war on allies and Americans, is the recipe for building upon your strong record of economic and job growth.

We commend you on this course and urge you to use this opportunity to forge a more productive path – invite our trading partners to the negotiating table and engage in immediate negotiations for opening trade markets. We applaud your [zero-tariff goal](#) to mutually lower barriers for our producers and consumers and urge you to pursue it fully and urgently.

Other countries are not waiting for us. [Japan and the EU](#) just signed a trade deal that will eliminate 99 percent of Japan's tariffs. [Canada and the EU](#) are on track to sign a similar agreement. [China and five other Asian Pacific](#) countries just lowered or cancelled tariffs on more than 8,500 goods. [The EU is also in discussions](#) with Australia and New Zealand. South Korea and Russia are pursuing trade negotiations, and Mexico is even courting China.

We must join them.

We share your concerns over China’s abusive practices of forced technology transfer and intellectual property theft, as do other trading partners. But the costs of escalating tariffs are showing marked and increasingly negative returns for our farmers, small and large businesses, workers, and consumers. Some damages may be irreparable. Still, there remains an opportunity to open markets for Americans.

One entry point is rejoining the TPP. The remaining 11 countries forged ahead with a modified agreement rebranded the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that includes new, better standards for trade and significantly lowered tariffs. Modernized international standards, including issues like data, e-commerce, cybersecurity, and state-owned enterprises are vital to trade in today’s modern economy and to addressing concerns over China. Some top U.S. priorities were suspended in the new agreement rather than rejected outright – perhaps as a carrot for us rejoining.

As a practical matter, once the CPTPP is in full effect American businesses will be at a distinct competitive disadvantage when trying to sell in these markets and our consumers will miss out on lower-priced goods. According to one study, rather than raking in [benefits of \\$130 billion](#) under TPP, the United States will see a loss under the CPTPP. This loss will only grow as other countries flock to join the new CPTPP and the United States is squeezed out. New tariffs just make this worse.

One of the most compelling reasons for rejoining the CPTPP is its strength to address concerns over China’s objectionable practices on IP and technology transfers. Other countries share these concerns. It would be far stronger to stand together with trade partners to pressure China to further open its markets and curtail these practices. It is also preferable to remain engaged with these countries rather than let China fill the vacuum by [negotiating its own massive Regional Comprehensive Economic Partnership](#) deal in the Pacific that would not address these practices, but cement them. The CPTPP is a sound way to do this.

The United States can re-join the CPTPP once it’s fully ratified, likely sometime next summer. Strongly signaling our intentions now would set the stage with a positive tone and put China on notice without escalating the trade war.

Tariffs harm Americans and are unwise as a negotiating tactic to try to achieve better trade deals down the road. It is not possible to protect farmers, businesses, workers and consumers from them, unwind the damage they cause, or avoid the danger they provoke a full-out trade war where everyone loses. We encourage your administration to work with other nations toward zero-tariff trade, without the economic turmoil that comes with tariffs or trade wars.

Sincerely,

Tim Phillips  
President  
Americans for Prosperity

Mark Holden  
Chairman  
Freedom Partners

Daniel Garza  
President  
The LIBRE Initiative

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Americans for Prosperity is a non-profit, non-partisan, grassroots organization which educates, recruits and mobilizes citizens in support of the policies and goals of a society of equal rights and mutual benefit at the local, state, and federal level, helping every American live their dream – especially the least fortunate. Grassroots activists share a common vision for an America where truly free markets allow for a free and prosperous people and they work to educate friends, neighbors, and public officials on the issues shaping the American economy and building a culture of freedom.

Freedom Partners Chamber of Commerce is a non-profit, non-partisan, chamber of commerce, representing a diverse group of local leaders, dedicated citizens and successful entrepreneurs, many of whom have achieved the American Dream from very modest beginnings. All supporters share a deep commitment to America, promoting free enterprise, effective fiscal, monetary and tax policies, efficient and effective policies that promote and protect hardworking taxpayers, and genuine accountability in government.

The LIBRE Initiative is a non-profit, non-partisan, grassroots organization that advances the principles and values of a free and open society to empower the U.S. Hispanic community, so it can thrive and contribute to a more prosperous America. LIBRE is dedicated to informing the U.S. Hispanic community about the benefits of a constitutionally limited government, property rights, rule of law, sound money supply and free enterprise through a variety of community events, research and policy initiatives that protect our free and open society.