

Congress of the United States
House of Representatives
Washington, DC 20515-1806

June 12, 2015

President Barack Obama
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Mr. President:

Like many of my colleagues, I support free trade because it can facilitate important access to foreign markets, boost productivity and innovation here at home, and enable job growth. I believe American workers will outperform any other nation when subject to a level playing field. This is a crucial point -- *free trade* can be good for our nation if and only if it is *fair trade*.

Louisiana has a vested interest in the global trade market. Home to five of our nation's top 15 ports, Louisiana is the top export state in the nation and the top state in export growth. In fact, one in five Louisiana jobs are supported by the commercial activity associated with our ports and waterways. Adopting free trade boosts U.S. export potential and maximizes our ability to create more Louisiana jobs. With our manufacturing facilities, strong petrochemical industry, diverse intermodal transportation systems and unparalleled export capabilities, Louisiana is poised to be one of the nation's biggest winners of free and fair trade agreements.

However, America loses if your administration continues down this path of tying the hands of America's workers through over-regulation and increasing the costs of doing business in the United States.

Mr. President, you have said that you'd like to see American businesses, including small businesses, sell more products overseas and have called on Congress to approve Trade Promotion Authority (TPA) in order to authorize specified negotiations for trade agreements, mainly the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP). But your predictions of America's gains under such agreements are at odds with the policies you perpetuate at home -- policies that largely stifle innovation and make it more expensive for business and industry to produce the very goods you claim to want to proliferate. Burdensome environmental, tax, healthcare and labor regulations imposed upon American businesses drive up the cost of domestic goods, making American products less attractive in the global marketplace. These additional costs -- unilaterally imposed on American industry and not shared by other trading partners overseas -- puts

domestic production at a disadvantage, crippling American workers' ability to compete on a global field.

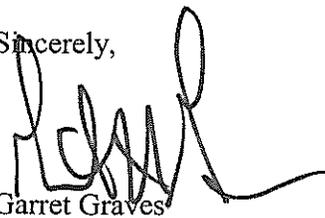
These concerns are not just predictions – we see the implications today. Since 2008, more American small businesses have closed than opened. This is the first time since records have been kept that we have experienced a net loss of small businesses – the heart of America's economy. The burdensome regulatory climate under your Administration has challenged your 2010 objective of doubling exports in five years (2015), an initiative that's not on track to be successful.

Federal regulatory compliance costs are not only a threat to our global competitiveness, but are also slowing the pace of economic recovery. According to a study by National Association of Manufacturers, 88 percent of manufacturers identified regulations as their biggest concern related to competitiveness. That comes as no surprise as over 4 billion worker hours of productivity were lost in 2012 attempting to comply with regulations and \$1.88 trillion were lost in economic productivity and higher prices in 2014 alone, according to studies by the Competitive Enterprise Institute. Indeed, the cost of burdensome regulatory compliance is manifest in the proposed new ozone standard, which is a unilateral action taken by your Environmental Protection Agency and estimated to be the most expensive regulation in U.S. history. Projections show Louisiana alone could lose nearly 38,000 jobs annually if the draft ozone standard regulations are finalized.

Promoting free trade, while at the same time tying the hands of our workers through over-regulation, is neither free nor fair. The U.S. has the highest corporate tax rate in the developed world, the most arduous environmental standards, surging health insurance costs and the most stringent labor laws. We cannot compete on a level playing field when your administration's own regulations have tipped the scales out of our favor. Trade and over-regulation are inextricably linked.

After much thought and discussion, I plan to support negotiating authority afforded by TPA because free trade is good for Louisiana and for the United States, but again, *free* trade must mean *fair* trade. This should not be construed as approval of TPP, TTIP or other agreements that will be subject to the scrutiny of Congress, pursuant to TPA. Any proposed trade deal developed under the TPA negotiating authority that fails to ensure fairness to American workers or attempts to circumvent the role of Congress will warrant my vehement opposition. Generations ago, America became the greatest country on earth because hard work and playing by the rules was rewarded with success. If you take away that incentive, America's decline is sure to follow.

Sincerely,

A handwritten signature in black ink, appearing to read 'Garret Graves', with a long horizontal flourish extending to the right.

Garret Graves

Member of Congress (LA-06)