

**Advanced Medical Technology Association
American Apparel & Footwear Association
American Petroleum Institute
Association of Equipment Manufacturers
BAFT-IFSA
Business Roundtable
Coalition of Service Industries
CompTIA
Emergency Committee for American Trade
European-American Business Council
Financial Services Forum
The Financial Services Roundtable
National Association of Manufacturers
National Foreign Trade Council
Retail Industry Leaders Association
Securities Industry and Financial Markets Association
TechAmerica
Telecommunications Industry Association
United States Council for International Business
US-ASEAN Business Council
U.S.-India Business Council**

January 19, 2010

President Barack Obama
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

On behalf of U.S. small, medium and large enterprises spanning every major sector of the U.S. economy with workers in every state in the nation, we strongly support your efforts to stimulate U.S. and global economic recovery and job growth here at home. We believe that the U.S. Bilateral Investment Treaty (BIT) program is critical to accomplishing those objectives, and we urge you and your Administration to embrace a strengthened U.S. Model BIT and reenergized BIT program to achieve that result.

As you emphasized effectively throughout your recent trip to Asia, it is more critical than ever to expand U.S. exports in order to create American jobs that pay well and generate sustainable U.S. economic growth. Overseas investment by U.S. companies is the fuel that catalyzes U.S. exports; as we grow investment abroad, we increase U.S. exports and create higher-paying jobs here in the United States. Foreign investment spurs U.S. productivity, economic growth, research and development, investment in physical capital, and new technology – essential inputs if the United States is to continue to be the home for cutting-edge industries. Expanding foreign direct

investment is also an important catalyst of new economic growth and opportunity in developing countries, fostering improvements in global governance and improved standards of living.

BITs play an integral role in fostering growth-producing foreign investment. Virtually every large country is now part of a growing BIT network, and most of the more than 2,600 BITs worldwide contain similar core protections for investors. Unfortunately, U.S. investors are at a competitive disadvantage compared to many of their key competitors from countries that already have strong BITs with countries in key growth markets such as China, India and Russia. If the United States is going to improve its ability to reach the world's consumers, improve its competitiveness and spur strong job opportunities for Americans, we must seek to conclude BITs with these and other economies, and such BITs must contain protections that are as strong as those in the BITs of other countries.

To do so, we urge your Administration to embrace a strengthened and reenergized BIT program and to ensure the highest standard for the Model BIT's core obligations with respect to, among other things, "fair and equitable treatment," "full protection and security," and the obligation to provide compensation for expropriation. It is also vital to ensure that all economic sectors are covered by the BIT's protections and that investors in all sectors have the ability to use neutral and objective arbitration to resolve disputes with host states.

We also urge your Administration to reject proposals largely made by critics of the BIT program that would undermine current protections in the Model BIT. In particular, we urge you to:

- Reject proposals to narrow the obligation to accord investors "fair and equitable treatment." Limiting this longstanding obligation found in most of the world's BITs would severely curtail U.S. investors' right to address effectively unfair government action and place U.S. investors at a competitive disadvantage in key markets.
- Oppose the establishment of general exceptions or similar limits on core BIT obligations. While recognizing the importance of protecting health, safety, and the environment, broad exceptions that would allow a government to justify discriminatory or otherwise unfair conduct on such grounds will harm U.S. investors, costing U.S. jobs and undermining U.S. innovation, including in the area of green technology and green jobs.

Similarly, we urge your Administration to reject proposals to expand the Model BIT's obligations relating to labor and the environment. Progress on labor and environmental protection is important and we believe that strong standards can be promoted in a number of ways, including by the participation of U.S. companies in overseas markets. Adding new labor and environmental standards to the Model BIT, however, will not achieve that progress. Rather, such an approach will jeopardize the ability of the United States to conclude BITs with key negotiating partners, such as China and India, while our global competitors gain new economic opportunities and advantages not currently available to U.S. investors.

Additional details about each of these issues are included in attached paper.

We stand ready to work with you and your Administration to ensure that the U.S. BIT program is strong and will promote our shared goals of promoting U.S. exports and American competitiveness abroad and increasing jobs and economic growth here at home.

Respectfully,



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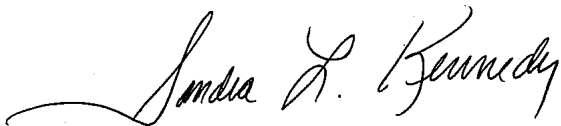
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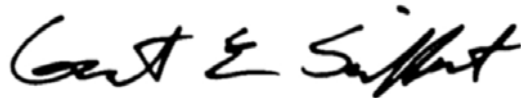
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Ron Somers
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Cc: The Honorable Hillary Rodham Clinton, Secretary of State
The Honorable Ron Kirk, United States Trade Representative
The Honorable Timothy F. Geithner, Secretary of the Treasury
The Honorable Gary Locke, Secretary of Commerce
The Honorable Eric H. Holder, Jr., Attorney General
The Honorable Hilda L. Solis, Secretary of Labor
The Honorable Ken Salazar, Secretary of the Interior
The Honorable Lisa Jackson, Administrator of the Environmental Protection Agency
The Honorable Christina Romer, Chairman, Council of Economic Advisers
General James Jones, National Security Advisor
Lawrence H. Summers, Director of the National Economic Council and Assistant to the President for
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Rahm Emanuel, White House Chief of Staff
David Axelrod, Senior Advisor to the President
Valerie B. Jarrett, Senior Advisor and Assistant to the President for Intergovernmental Affairs and
Public Engagement
Michael Froman, Deputy National Security Adviser for International Economic Affairs