

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

JUL 31 2005

Congressman Bob Filner
United States House of Representatives
Washington, DC 20515

Dear Congressman Filner:

Thank you for your letter expressing support for an enhanced U.S. trade relationship with the Philippines. I share your view that U.S. - Philippine relations are based on longstanding ties of friendship and shared democratic values, making strengthening and deepening our economic and trade links a worthy goal.

Fortunately, we have a strong base of economic relations from which to work. In 2005, the Philippines was our 28th largest trading partner with over \$16 billion in goods moving between our two countries and U.S. foreign direct investment totals of about \$6.3 billion.

In the last few years, we have intensified work under our Trade and Investment Framework Agreement (TIFA) to address bilateral issues in trade and investment and further build our relationship. The TIFA process has proven successful in helping to remove market barriers to U.S. poultry and beef products and U.S. automobile exports to the Philippines. In February this year a program of cooperation on protection of intellectual property rights led to our lowering of the Philippines from the Special 301 Priority Watch List to the Watch List. These and other steps both increase Philippine economic competitiveness and improve our overall partnership. We also have discussed with Philippine officials President Bush's Enterprise for ASEAN Initiative, which offers them the possibility of a comprehensive bilateral Free Trade Agreement (FTA), something that they have indicated they may seek in the future.

Again, thank you for your letter. I look forward to keeping in touch on this and other trade issues.

Sincerely,

Susan C. Schwab
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