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September 1, 2017

The Honorable Robert Lighthizer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

The Honorable Rex Tillerson
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

The Honorable Steve Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Mr. Gary Cohn
Director, National Economic Council
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Ambassador Lighthizer, Secretaries Ross, Tillerson and Mnuchin and Director Cohn,

The Petroleum Equipment & Services Association (PESA) is the national trade association for the oilfield service, supply and manufacturing sector. Our 200 member companies span the sector's entire supply chain, including the largest international oilfield services and supply companies in the world – firms like Halliburton, Schlumberger, and Baker Hughes, a GE Company – and many small U.S. manufacturers throughout the country. PESA member company provide the services, technology, equipment and expertise necessary to safely and efficiently explore and produce the world's oil and natural gas.

As you move forward with negotiations to modernize the North American Free Trade Agreement (NAFTA), PESA's membership wants to reiterate its strong support for maintaining many current provisions of NAFTA, including a robust investor-state dispute settlement (ISDS) mechanism. ISDS provides our members protection for their investments in Mexico and Canada., including the right to "fair and equitable treatment" and the right to compensation through a neutral arbitration process in the event of expropriation.

The aim of ISDS is to shield U.S. investors from arbitrary foreign government action and not to infringe on the sovereignty of the U.S. government. Under NAFTA, the U.S. government retains its ability to legislate and regulate in the public interest. For more than two decades, ISDS has achieved a balance between protecting U.S. investors abroad and maintaining government sovereignty. Efforts to weaken ISDS and other investment protection provisions can harm U.S. businesses, including PESA member companies.

PESA supports retaining the strong protection measures afforded by the current ISDS mechanism. PESA appreciates the opportunity to share its view on ISDS and looks forward to working with you on the modernization of NAFTA which has strengthened and enhanced trade relations with our North American partners.

Sincerely,

A handwritten signature in blue ink that reads "Leslie Beyer".

Leslie Beyer
President

cc: Chairman Orrin Hatch
Ranking Member Ron Wyden
Chairman Kevin Brady
Ranking Member Richard Neal