



*John Engler*

*President and CEO*

April 16, 2009

The Honorable Gary Locke  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington DC 20230

Dear Mr. Secretary:

I enjoyed speaking with you last week on a number of matters of interest to American manufacturers, including the position of the Intellectual Property Enforcement Coordinator (IPEC).

As we discussed, a nominee for the IPEC position has not yet been announced. I am hopeful that a nomination will be made soon and that adequate funding will be provided within the Executive Office of the President to protect our nation's intellectual property (IP). To reiterate a key point I made in our conversation, the IPEC's focus should be more than on just protecting digital media, but also on protecting manufacturing. There is a clear need for leadership and accountability with regards to protecting American consumers from counterfeit goods and pharmaceuticals. The IPEC role will be a critical one within the Administration for the American manufacturing sector, as IP theft endangers not only U.S. jobs, but U.S. lives as well.

Counterfeit and pirated products are a direct threat to our economic security. Intellectual property is the cornerstone of our nation's economy – U.S. IP is valued between \$5 trillion and \$5.5 trillion, equivalent to approximately 45 percent of the United States' gross domestic product (GDP). Yet IP theft in the United States alone is responsible for over \$250 billion a year in lost sales and the loss of a significant number of high-paying jobs; as such, it is a vital matter for business, as well as for labor and government, especially in this economic environment. Its impact on consumers, however, is no less devastating. IP theft is a health and safety issue that presents a palpable danger to the public, with sub-standard pirated products that include automobile parts, airplane parts, food, medical devices, electrical supplies, and pharmaceuticals, to name but a few. Despite the daunting scope of the challenges to the American public, we are hopeful.

Effective implementation of the Prioritizing Resources and Organization for Intellectual Property Act of 2007 (PRO-IP), which created the IPEC position, promises to improve the efficiency and success of the Administration's efforts to protect American intellectual property. As part of the PRO-IP Act, the critical IPEC position will aid inter-agency cooperation and will oversee the creation and implementation of a coordinated Joint Strategic Plan against

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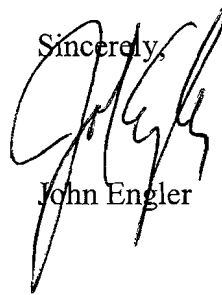
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counterfeiting and piracy. This Joint Strategic Plan (JSP) will reduce counterfeit and infringing goods in the domestic and international supply chain, and identify and address structural weaknesses, systemic flaws, and other unjustified impediments to effective enforcement. Further, the JSP will help ensure that information is identified and shared among the relevant departments and agencies, disrupt and eliminate domestic and international counterfeiting and infringement networks, and provide training and technical assistance to foreign governments to enhance those governments' enforcement of counterfeiting and infringement laws.

I have included with this correspondence two letters to President Obama on this very issue that you may find to be informative: one from House Judiciary Chairman John Conyers (D-MI) and Ranking Member Lamar Smith (R-TX), and another from Senate Judiciary Chairman Patrick Leahy (D-VT), Ranking Member Arlen Specter (R-PA), Senator Evan Bayh (D-IN) and Senator George Voinovich (R-OH). Both letters urge President Obama to nominate the IPEC and ensure its priority in the White House.

Please let me know if the staff of the NAM or I may be of further assistance on this issue. I can be reached at (202) 637-3106 or at [JEngler@nam.org](mailto:JEngler@nam.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'John Engler', written over the typed name.

John Engler

JE/gjj  
Enclosures