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United States Senate

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April 2, 2012

Chairman Jon Leibowitz
Commissioner J. Thomas Rosch
Commissioner Edith Ramirez
Commissioner Julie Brill
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Dear Chairman Leibowitz and Commissioners Rosch, Ramirez and Brill:

We are writing to you to ask you to consider a request submitted by the National Association of Attorneys General (NAAG) to use all the tools at your disposal to fight the theft and use of stolen American manufacturing information technology (IT) and intellectual property (IP). NAAG has asked for your support in ensuring that IT and IP is protected in order to help U.S. manufacturing remain competitive, and we support that request.

As members of the Senate Committee on Small Business and Entrepreneurship, we are keenly aware of the vital role the manufacturing industry plays in our country's economy – particularly small manufacturers. A remarkable 98 percent of America's manufacturing firms are small businesses. Furthermore, more than one in three Americans who work in manufacturing, work at a small business. With small firms representing such a significant part of the manufacturing sector, it is important that we provide them with the tools to be competitive in the global market.

Given these realities for so many American workers, we are deeply concerned about the decline of manufacturing in this country over the past decade and its impact on small business. Together, we have made it one of our top priorities to stem and reverse this trend along with the associated job losses that have contributed to today's high unemployment. To that end, the NAAG request would be a significant step in protecting the resources on which U.S. manufacturing depends to develop and grow their businesses and the jobs that come with it.

As you know, the loss of manufacturing and jobs in this country has a number of causes. One factor is unfair competition by unscrupulous manufacturers who use stolen American IT to compete against law-abiding U.S. companies that pay for the technology that is so important to their productivity. This unfairness harms the affected companies and their employees as well as consumers and the broader economy. It also stifles innovation and growth by forcing law-

abiding American businesses - large and small - to compete against those businesses that reduce their operating costs through the use of pirated IT.

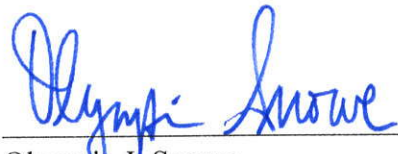
NAAG has focused on this problem and asked in a November 4, 2011 letter for the support of the Federal Trade Commission (FTC) in its efforts to fight the use of stolen IT in manufacturing. A copy of the letter is attached. Given the concurrent jurisdiction of the FTC and the state Attorneys General (AGs) under the well-settled law of unfair competition and consumer protection, we believe that collaboration between the FTC and the state authorities is a sensible action that should be pursued in the near future.

We ask that you please consider the request of the NAAG letter in coordination with the states to ensure a level the playing field for law-abiding manufacturers. Thank you for your attention to this matter and we look forward to your response.

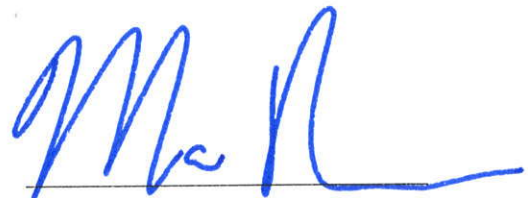
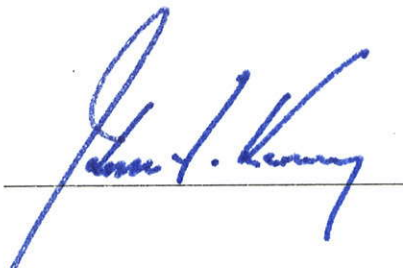
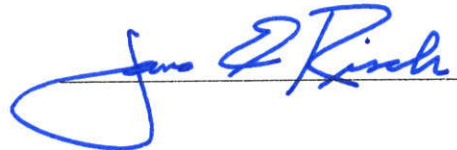
Sincerely,



Mary L. Landrieu
Chair



Olympia J. Snowe
Ranking Member



Jon Lill

Kelly A. Arquette

Maria Cantwell

Michael B. Enji

Mark Royce

Scott P. Brown

Jane Shaker

Kay R. Hagan

Attachment