

# United States Senate

WASHINGTON, DC 20510

March 14, 2002

Ambassador Robert B. Zoellick  
United States Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508  
United States of America

Dear Ambassador Zoellick:

We are pleased by your decision of March 6 to immediately impose tariffs on imports of foreign steel. While the announced tariffs are not at the levels the U.S. steel industry was looking for, your decision will help give our steel producers and workers a fighting chance.

We are left to wonder, however, why you are not moving ahead with tariff rate quotas against unfair imports of wheat from Canada, given that your office recently concluded that the Canadian Wheat Board is engaged in unfair trade.

In choosing not to impose such quotas, you have cited fears that Canada would challenge such measures before the WTO. The logic behind this decision escapes me. If your office has concluded that the Canadian Wheat Board is currently engaged in unfair trade practices, why not use the tools at its disposal to provide immediate relief to U.S. wheat growers? Why should the possibility of Canada taking us to the WTO make us hesitate to impose tariff rate quotas on Canadian wheat? Foreign steel producers warned of a WTO challenge if tariffs were imposed on steel imports, yet that did not deter you from standing up for U.S. steel. So why be timid in defending our wheat producers?

In October 2000, the North Dakota Wheat Commission requested a Section 301 investigation of the pricing practices of the Canadian Wheat Board. Several weeks ago, you concluded that, indeed, the CWB's monopolistic practices undermined the integrity of our trading system. You outlined several possible steps to address this problem, including a challenge to the CWB at the World Trade Organization, as well as consideration of antidumping/countervailing investigations on Canadian wheat.

While we certainly encourage you to pursue these options, these measures will take years to pursue, and will do nothing to provide immediate relief from unfair imports. What our wheat growers have asked for, and what they deserve, is the imposition of tariff rate quotas on imports of Canadian wheat now.

The U.S. steel industry has obtained immediate relief, while U.S. wheat growers have been asked to wait for years for relief that may or may not come.

This is simply not fair. Our nation's ability to produce wheat is every bit as important as our ability to produce steel.

We appreciate full well that the U.S. steel industry sought import tariff relief under a different mechanism of U.S. trade law (a Section 201 investigation) than did the U.S. wheat industry. But at the end of the day, the fact remains that the two investigations found problems with the trading practices of foreign producers, yet treated the U.S. petitioners differently.

We urge you to impose tariff rate quotas on Canadian wheat now, as allowed by U.S. trade law.

Sincerely,

  
  


