

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

The Honorable Richard Shelby  
Chairman, Subcommittee on Commerce,  
Justice, and Science  
Committee on Appropriations  
Washington, D.C. 20510

SEP 12 2005

Dear Mr. Chairman:

We would like to set forth our comments and concerns on amendment number 1665, offered by Senator Dorgan to H.R. 2862, Making Appropriations for Science, the Departments of State, Justice, Commerce, and Related Agencies for Fiscal Year 2006, which would prohibit appropriated funds from being used to negotiate any trade agreement that would result in any modification or amendment to U.S. trade remedy laws.

We share the concerns of many in the Senate about the importance of maintaining strong U.S. trade remedies. We understand that effective remedies against unfair trade practices, including those against dumping and unfair subsidies, play an important role in maintaining support for trade liberalization, and are essential to ensure that U.S. workers and businesses fully enjoy the benefits of trade liberalization.

We are fully committed to the guidelines that Congress set out on this subject in the Bipartisan Trade Promotion Authority Act of 2002 (TPA). TPA establishes as a principal trade negotiating objective the twin goals of preserving the ability of the United States to enforce rigorously its trade laws and of avoiding agreements that lessen the effectiveness of disciplines on unfair trade. TPA also provides for regular consultation with the Congress on proposals advanced in negotiations.

By contrast to TPA, Senator Dorgan's amendment would undermine our efforts to protect our workers and firms from unfair trade practices and to open foreign markets to America's goods and services. By taking off the negotiating table any agreements that would lead to changes in U.S. trade remedy laws, the amendment would prevent us from negotiating agreements to improve protections against foreign unfair trade practices where the current rules may not be fully effective. The amendment would make it impossible to address such problems as circumvention of antidumping/countervailing duty orders, abuse of "new shipper" reviews, and the unique problems that our producers of perishable and seasonal agricultural products face in trying to use the rules against unfair trade. Because these improvements to the international rules governing unfair trade remedies may require changes to our own trade laws, Senator Dorgan's amendment would effectively prevent such improvements.

The amendment could also prevent us from negotiating stronger disciplines on foreign subsidies and protections for U.S. exporters against abuses by foreign users of trade remedies laws. We have advanced proposals in the Doha negotiations to improve transparency and due process in trade remedy proceedings to ensure that U.S. exporters will be fairly treated, and to correct problems arising from certain dispute settlement reports. If we announce that we will not negotiate on any issue that could involve changes to U.S. trade laws, other WTO Members will refuse to consider our proposals to improve their disciplines on unfair trade.

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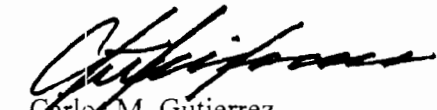
Finally, the amendment will provide our trading partners with an excuse to refuse to negotiate on sectors and subjects they consider sensitive. Accordingly, it would greatly diminish the prospects of achieving the ambitious goals set out in TPA for opening markets around the world to U.S. products and services.

We strongly urge the Senate to reject this unwise amendment.

Sincerely,



Rob Portman  
U.S. Trade Representative



Carlos M. Gutierrez  
Secretary of Commerce

Identical Letters Sent to:

The Honorable Barbara Mikulski  
United States Senate

The Honorable Charles Grassley  
Chairman, Committee on Finance  
United States Senate

The Honorable Max Baucus  
United States Senate