December 12, 2011

Dear Ms. Caldwell:

Pursuant to the Freedom of Information Act, 5 U.S.C. §552 et seq. ("FOIA"), I am requesting access to the following public records from the Office of U.S. Trade Representative:

Any correspondence, including electronic, to your agency from or on behalf of the office of former U.S. Representative Christopher Shays (CT-04) between September 1, 1987 and January 3, 2009.

I ask that you state the specific legal and factual grounds for withholding any documents or portions of documents. If possible, please identify each document that falls with scope of this request but is withheld from release, as well. If requested documents are located in, or originated in, another installation or bureau, please refer this request or any relevant portion of this request to the appropriate installation or bureau. I would like to clarify and reiterate that I am not asking for access to any records that are explicitly considered private; rather, I am seeking only those records that are considered to be public information under the Freedom of Information Act.

If the information can be sent through email or digital/electronic format, please send it that way (address provided above), particularly if providing the information reduces the time or expense involved. Otherwise, please send the information in paper form (mailing address also provided above).

If your department has other agencies within it, I am only seeking records from the central department.

To help assess my status for copying and mailing fees, please note that I am a representative of a political organization, gathering information for research purposes only. Disclosure of this information is likely to be in the public interest and is not for commercial activities. I am willing to pay reasonable costs incurred in locating and duplicating these materials. Please contact me prior to processing to approve any fees or charges incurred in excess of $250.

Thank you for your cooperation with this request. I am willing to discuss ways to make this request more manageable to your office. Please do not hesitate to contact me either via telephone or email.

Sincerely,

Anjan Mukherjee
Ms. Anjan Mukherjee  
Democratic Senatorial Campaign Committee  
120 Maryland Avenue, N.E.  
Washington, D.C. 20002

Dear Ms. Mukherjee:

This letter is USTR's response to your Freedom of Information request for "any correspondence, including electronic, to your agency from or on behalf of the office of former U.S. Representative Christopher Shays (CT-01) between September 1, 1987 and January 3, 2009."

Please be advised that we have located eighteen (18) documents within the scope of your request. Inasmuch as this constitutes a complete response to your request, I am closing your file in this office.

In the event that you are dissatisfied with USTR's determination, you may appeal such a denial, within thirty (30) days, in writing to:

FOIA Appeals Committee  
Office of the United States Trade Representative  
1724 F Street, N.W.  
Washington, D.C. 20508

Both the letter and the envelope should be clearly marked: "Freedom of Information Act Appeal." In the event you are dissatisfied with the results of any such appeal, judicial review will thereafter be available to you in the United States District Court for the judicial district in which you reside or have your principal place of business, or in the District of Columbia, where we searched for the records you seek.

Should you have any questions, please feel free to contact the FOIA office at (202) 395-3419.

Sincerely,

[Signature]

Jonathan R. Weinberger  
Associate General Counsel

Case File # 1201122
The Honorable Chris Shays  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Shays:

Thank you for your letter regarding the potential participation of the United States in the P-4 Agreement with Singapore, Chile, New Zealand, and Brunei and your support of our decision to participate in the investment and financial services negotiations, which the P-4 countries are now seeking to conclude.

The proliferation of bilateral and regional agreements by other countries in the Asia-Pacific region and the implications of these preferential agreements for the United States have been a growing concern for many in the U.S. Government and business community. As we continue to examine the potential responses to these developments, one of the options that we are exploring is U.S. participation in the P-4 Agreement. As you note, such an agreement might hold the potential to achieve greater trade liberalization and boost U.S. competitiveness in the Asia-Pacific region, bolster U.S. ties with key allies, increase market access for U.S. industries, and spur greater economic growth at home.

To assess the costs and benefits of participation in the P-4 Agreement, we have begun an exploratory process. As part of this process, we will conduct a rigorous analysis of the market access and legal implications of joining the P-4 Agreement and before making a final decision on how to proceed.

Again, thank you for your support. I look forward to continuing to work closely with you on this and other trade issues.

Sincerely,

Susan C. Schwab
March 14, 2008

Ambassador Susan Schwab
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Schwab,

As Members of the Congressional Friends of New Zealand Caucus, we are writing to applaud your decision to enter into trade negotiations with the Trans-Pacific Strategic Economic Partnership (New Zealand, Singapore, Chile, and Brunei, or the "P-4"). U.S. engagement in the investment and financial services negotiations with the P-4 countries is a positive step, particularly when coupled with your decision to explore U.S. participation in the full P-4 agreement.

This welcome initiative will help to achieve greater trade liberalization and boost U.S. competitiveness in the vitally important Asia-Pacific region; bolster U.S. ties with key allies; increase market access for U.S. industries; and spur greater economic growth here at home.

In particular, we were most pleased to see New Zealand as a participant in the negotiations. New Zealand is a loyal friend and partner of the United States, with whom we share a common history and extensive collaboration on a wide range of economic, political and security issues. Trade between our two countries benefits both sides, with New Zealand exporting primary products to the U.S. and purchasing industrial and manufactured products such as aircraft, medical equipment, vehicles, and computers. Services and investment between our countries are also significant.

Thank you for your leadership in expanding U.S. presence in the highly competitive Asia-Pacific region. We commend your commitment to these issues, and we look forward to working with you to support the P-4 negotiations.

Sincerely,

Ellen O. Tauscher
Member of Congress

Kevin Brady
Member of Congress
Adam Smith  
Member of Congress

Chris Shays  
Member of Congress

Joseph Crowley  
Member of Congress

Henry Brown  
Member of Congress

Jim Moran  
Member of Congress

Zach Wamp  
Member of Congress

Madeleine Bordallo  
Member of Congress

Jerry Weller  
Member of Congress

Jim McDermott  
Member of Congress

Dan Burton  
Member of Congress

John Tanner  
Member of Congress

Ray LaHood  
Member of Congress

Ruben Hinojosa  
Member of Congress

Tom Petri  
Member of Congress
Richard Neal  
Member of Congress

Don Manzullo  
Member of Congress

Charlie Melancon  
Member of Congress

Eni Faleomavaega  
Member of Congress

Brian Baird  
Member of Congress

Ben Chandler  
Member of Congress
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515  

Dear Congressman Shays:

Thank you for your letter expressing support for a “WTO-consistent and high quality” free trade agreement between the United States and Korea. I am pleased to inform you that on April 1, 2007, the United States and Korea concluded just such an agreement.

The United States-Korea Free Trade Agreement (KORUS FTA) will be the United States’ most commercially significant FTA in 15 years. We achieved a high-quality, comprehensive trade agreement that will eliminate tariffs and address numerous non-tariff barriers to U.S. exports of goods and services. Under the agreement, nearly 95 percent of bilateral trade in consumer and industrial products becomes duty-free within three years of entry into force of the agreement. Significant new market access was also attained for U.S. agricultural exports, with more than half of these products subject to immediate duty-free treatment. In addition, the agreement contains very strong provisions in several areas, including competition policy, transparency, financial services, and IPR. I am attaching to this letter a summary of key provisions of the agreement for your information.

As you note, Korea has been a strategic ally of the United States for more than half a century. The strong FTA we have negotiated – once enacted and implemented – will further solidify our political and security partnership.

I have appreciated your strong support for the KORUS FTA, and I look forward to working with you and with other members of Congress as we move toward Congressional consideration of this landmark agreement.

Sincerely,

Susan C. Schwab
March 28, 2007

Ambassador Susan Schwab
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador Schwab:

We write today on the heels of encouraging news from the eighth and final round of negotiations of the US-Korea (KORUS) FTA. It is our understanding there are still several outstanding issues lingering, however, we continue to remain optimistic in our hopes a comprehensive agreement for both nations can be achieved by March 30, 2007.

An FTA with Korea would be one of the most commercially meaningful trade agreements reached by the United States since the Uruguay Round. Because Korea is already our seventh largest trading partner and sixth largest agricultural market, it is a critical destination for U.S. goods and services exports that support American jobs. A comprehensive and commercially meaningful FTA with Korea that encompasses all products, sectors, and services will further boost U.S. exports to this vital market and bring tangible economic benefits to U.S. consumers, farmers, workers, and businesses. We are now at a critical moment in these negotiations. We call on the leaders of both nations to make the completion of these negotiations a top priority. We also urge negotiators to consider meaningful approaches and solutions to addressing the outstanding issues that remain.

We also urge you to pursue an FTA with Korea that is WTO consistent and high quality in terms of its coverage and liberalization level. We firmly believe that such a high-quality FTA will enable the United States and Korea to experience the full economic and commercial benefits accruing from this liberalization. Additionally, the KORUS FTA would position Korea as a regional economic hub for the United States in Northeast Asia.

For more than half a century, Korea and the United States have been strategic allies. Korea has been a strong partner in the global war against terror, and currently maintains the third largest number of troops in Iraq, after the United States and the United Kingdom. A completed and implemented KORUS FTA will further solidify our political and security partnership with Korea. It will contribute to the United States’ economic foundation in Northeast Asia and support its important role in promoting regional security and prosperity. The change of economic and political dynamics in Asia is fast-paced, and we cannot afford to fall behind.
Significant progress has been made in all areas of negotiations. And while there are still issues to resolve after the eighth round of negotiations, we, as friends of the KORUS FTA, remain hopeful that the negotiations reach a timely conclusion.

Sincerely,

Vito J. Fossella  
Member of Congress

Roy Blunt  
Member of Congress

David Dreier  
Member of Congress

Jeff Flake  
Member of Congress

Gregory W. Meeks  
Member of Congress

Pete Sessions  
Member of Congress

Joseph Crowley  
Member of Congress

Kevin Brady  
Member of Congress

Jerry Weller  
Member of Congress

Emanuel Towns  
Member of Congress

Darrell E. Issa  
Member of Congress

James P. Moran  
Member of Congress
Scott Garrett
Member of Congress

Adam Smith
Member of Congress

K. Michael Conaway
Member of Congress

Trent Franks
Member of Congress

Dan Burton
Member of Congress

Christopher Shays
Member of Congress

Madeleine Z. Bordallo
Member of Congress

John Linder
Member of Congress

Deborah Pryce
Member of Congress

Jeb Hensarling
Member of Congress

Dave Reichert
Member of Congress

Jim Matheson
Member of Congress
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chris,

Thank you for your letter regarding the World Trade Organization (WTO) Doha financial services negotiations and the capital markets sector.

The U.S. Government seeks the most ambitious outcome possible on financial services as part of the ongoing negotiations. As you are aware, financial services is one of the priorities for the United States in the services component of those negotiations. Our financial services liberalization requests made to other WTO members, including key emerging markets, are very broad and enable us to pursue various improvements including capital markets.

The United States will continue to use all possible means through bilateral negotiations and coordination with other like-minded WTO members with plurilateral requests, to press for maximum outcomes on financial services.

Thank you for your support of the negotiations, and please keep in touch.

Sincerely,

Rob Portman

cc: Secretary Snow
March 22, 2006

The Honorable John W. Snow
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Ave. N.W.
Washington, DC 20220

The Honorable Rob Portman
United States Trade Representative
600 17th St. N.W.
Washington, DC 20508

Dear Secretary Snow and Ambassador Portman:

We urge you to pursue ambitious market-opening objectives for the financial services sector -- and the capital markets sector in particular -- in the Doha Development Round of World Trade Organization ("WTO") negotiations. We specifically ask that you seek WTO commitments from key emerging market countries that would give U.S. securities firms access to those markets that is comparable to the access foreign firms have to the U.S. market. These commitments should include the right to establish wholly owned operations abroad, the right to supply services cross-border to sophisticated investors, and the right to be regulated in a transparent and non-discriminatory manner (i.e., U.S. firms are not treated differently than their domestic competitors in these countries).

A WTO agreement that embodies these commitments would yield benefits for both the United States and emerging-market countries. The United States currently enjoys an annual trade surplus of $16 billion in financial services. An agreement that creates new market opportunities for U.S. securities firms, which are among the world's most competitive suppliers of capital markets-related services, can only increase this surplus and promote the growth of an industry that already employs more than 800,000 people and generates more than $230 billion in annual revenue. For emerging markets, the presence of U.S. and other foreign firms will increase competition, expand the pool of available capital, and introduce innovative financial products, technology, and expertise.
We appreciate your consideration of this request and look forward to working with you to achieve an ambitious result in the Doha Round.

Sincerely,

Michael Oxley
Member of Congress

Deborah Pryce
Member of Congress

Judy Biggert
Member of Congress

Mark Kennedy
Member of Congress

Debbie Wasserman-Schultz
Member of Congress

Barney Frank
Member of Congress

Carolyn Maloney
Member of Congress

Jim Davis
Member of Congress

Melvin Watt
Member of Congress

Gary Ackerman
Member of Congress
Dennis Moore
Member of Congress

Jim Matheson
Member of Congress

Edolphus Towns
Member of Congress

Leonard Boswell
Member of Congress

Jim Marshall
Member of Congress

Joseph Crowley
Member of Congress

Geoff Davis
Member of Congress

Darlene Hooley
Member of Congress

Vito Fossella
Member of Congress

Charles Rangel
Member of Congress

John Tanner
Member of Congress
Sander Levin
Member of Congress

Ellen Tauscher
Member of Congress

Carolyn McCarthy
Member of Congress

Sue Kelly
Member of Congress

Christopher Shays
Member of Congress

Adam Schiff
Member of Congress

Stephanie Herseth
Member of Congress

Joe Baca
Member of Congress

Ron Lewis
Member of Congress

Jim McCrery
Member of Congress

Phil English
Member of Congress

Steve Israel
Member of Congress
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chris—

Thank you for your letter to President Bush regarding the importance of substantial reform in agriculture to move the Doha Development Agenda negotiations forward. As always, I appreciate your leadership on the Administration’s trade initiatives and greatly value your input.

I share your view that the United States has an economic interest in concluding an ambitious and comprehensive WTO agreement that includes meaningful reform in agriculture. Further, I agree that an agreement that substantially opens markets, cuts trade-distorting domestic support, and eliminates all forms of export subsidies will have positive effects on the global economy, including developing countries.

As you note in your letter, the United States reinvigorated the Doha negotiations with our bold agriculture proposal in October 2005. Thanks to support from U.S. agriculture and from Congressional leaders, we have set a high level of ambition for reform in the negotiations. It is my assessment, and the judgment of leaders ranging from the World Bank to academia to industry, that substantial reform in agriculture is necessary to conclude the negotiations and deliver economic benefits. We will continue to press for a solid result because it is in the United States’ interests and it will deliver real global gains.

Thank you for your support. I look forward to working with you in the coming months as the negotiations intensify. Please keep in touch.

Sincerely,

Rob Portman
The Honorable George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We urge continued bold American leadership to break the deadlock in the Doha WTO Round. For the better part of a century, successive U.S. Presidents and Congresses -- Republican and Democratic alike -- have worked to expand American trade. The GATT, WTO, and post-war construction of an open, rules-based global trading system stand as abiding testaments to American leadership.

The Doha negotiation represents a once-in-a-generation opportunity to spur U.S. economic growth and to open new markets for American manufacturers, farmers, financial institutions, service providers and their managers and employees. It offers, moreover, an opportunity for the U.S. to take a leadership role in addressing developing country poverty and helping generate the economic growth envisioned by the Monterrey Consensus on the Financing for Development and essential to achieving the Millennium Development Goals. Consumers, families, and workers in developed and developing countries alike can benefit from a successful WTO Round.

In the last decade, all of us have witnessed the onward advance of the global marketplace. Trade touches the lives of all Americans and represents a key pillar of American prosperity, but also presents difficult economic and political challenges.

We are concerned that the current difficulty in the Doha Round and the increasing partisanship surrounding Congressional trade votes threatens to undermine U.S. support for open trade. The prolonged stalemate in the WTO over domestic agricultural subsidies and market access has blocked progress on industrial tariffs and services. The Round’s unprecedented promises to expand opportunities for third-world development, increase environmental stewardship, and address longstanding inequities in global trade are unrealized. We welcome your commitment at the United Nations that the U.S. stands ready to eliminate its trade-distorting agricultural supports and trade barriers if only our trading partners will do the same. A healthy international trading system that more fully integrates developing countries is a critical component of a safe and secure world and a natural complement to U.S. national security.

The time has come for bold action and new ideas. Unlocking agriculture negotiations is key to moving the trade round forward, and also central to fulfilling the needs of developing countries, where more than 2.5 billion people rely on agriculture as a livelihood. Without leadership, the WTO negotiations will continue to flounder. We would welcome an opportunity to work with the Administration and the House and Senate Agriculture Committees on bipartisan reforms of U.S. farm policy, including significant reductions in trade-distorting farm subsidies.
Certain U.S. agricultural programs have drifted far from their original purpose of protecting family farmers from the ravages of the Great Depression. Though subsidies cost more than $20 billion in some years, most farmers are ineligible for subsidies, and those who grow crops which are eligible for subsidies typically receive less than $100 a month. Furthermore, escalating U.S. budget deficits, Hurricane Katrina, new regulatory burdens, and tightening constraints on government spending impose even greater responsibilities on Congress and the Administration to reduce farm subsidies and to ensure that existing programs actually help family farmers and reward environmental stewardship. Recent WTO rulings also indicate that major U.S. farm subsidy programs may not withstand WTO scrutiny.

We agree that any WTO Agreement must be contingent on the broad based willingness of our trading partners to open their markets to American farm products. We welcome the recent U.S. proposals, which signal to our trading partners that the United States is prepared to take seriously their concerns about trade-distorting domestic supports. New ideas should be explored such as non-trade-distortive and environmentally conscious tools that would help all farmers and ranchers weather the ups and downs of agriculture without encouraging crop surpluses that reduce world prices.

The WTO Round holds vast promise for opening overseas markets to American exporters, including American farmers, manufacturers, and service providers, rewarding environmental stewardship, and addressing developing country poverty. As legislators, we understand the challenge of making far-reaching changes in government programs and cutting taxes and tariffs. We approach the Doha Round from different perspectives, but are committed to building common ground. At this vital juncture in the Doha negotiations, we recognize your efforts and reaffirm the call for bold WTO leadership to convert words into actions, and rhetoric and meetings into concrete commitments to open markets. We stand ready on a bipartisan basis to work with you on this vital endeavor.

Sincerely,

[Signatures]

HM Kolbe
Member of Congress

Adam Smith
Member of Congress

Henry Hyde
Member of Congress

Howard Berman
Member of Congress
Member of Congress

PAUL RYAN

JEFF FLAKE

JOE KNOLLENBERG

MARK KIRK

MIKE PENCE

EDWARD R. ROYCE

JIM McDERMOTT

RON KIND

DONALD M. PAYNE

JOSEPH CROWLEY

ELLEN TAUSCHER

GREGORY MEJKS

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress
PETE SESSIONS
Member of Congress

JAMES P. MORAN
Member of Congress

DOC HASTINGS
Member of Congress

EARL BLUMENAUER
Member of Congress

JUDY BIGGERT
Member of Congress

CHARLES A. GONZALEZ
Member of Congress

JANE HARMAN
Member of Congress

DAVID E. PRICE
Member of Congress

JOHN CARTER
Member of Congress

CAROLYN MCCARTHY
Member of Congress

NORM DICKS
Member of Congress

JIM COOPER
Member of Congress
MIKE HONDA
Member of Congress

CATHY McMORRIS
Member of Congress

ADAM SCHIFF
Member of Congress

JIM DAVIS
Member of Congress

DIANE WATSON
Member of Congress

CHRISTOPHER SHAYS
Member of Congress

LORETTA SANCHEZ
Member of Congress

DAVID REICHERT
Member of Congress

GEORGE MILLER
Member of Congress

BRIAN BAIRD
Member of Congress
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515  

Dear Chris,  

Thank you for your letter regarding the additional section 201 safeguard duties owed by your constituent company, L.D. Peters & Sons, for products imported during the period when the 201 actions were in effect from March 2002 to December 2003. I am writing to update you on our work in this matter.

USTR staff met with L.D. Peters and their Washington consultant in 2004. At the time, USTR’s assessment was that this was essentially a tariff classification issue. U.S. Customs and Border Protection (Customs) disagreed with L.D. Peters’ tariff classification for the product in question. The reclassification made the product subject to 201 duties, and L.D. Peters & Sons pursued the matter with Customs. Customs has now reached the end of its administrative review of the additional duties and decided against L.D. Peters. L.D. Peters is challenging the Customs decision at the Court of International Trade.

You asked that USTR grant relief to L.D. Peters by issuing a “technical correction” notice to clarify that the section 201 safeguard did not, as L.D. Peters contends, apply to the wire products the company imported during the March 2002 - December 2003 period. I have instructed my staff to undertake a review of the facts presented by your constituent to determine whether special relief is warranted. As you are aware, any decision to issue a technical correction would be highly unusual and would require careful legal and policy review, as well as coordination with other U.S. agencies. Our goal is to complete this examination by December 1, 2005.

Thank you for your interest in this matter and I assure you I will give it careful consideration.

Sincerely,

Rob Portman
September 7, 2005

The Honorable Robert J. Portman  
United States Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

Dear Ambassador Portman:

We hope this letter finds you well and enjoying your position as U.S. Trade Representative. We are writing to raise a matter of specific concern to a corporate constituent of ours, L.D. Peters & Sons, Inc., and to ask for your help in assisting this small business to overcome a problem inadvertently created by trade enforcement actions.

For many years, L.D. Peters has imported drawn wire hanger and tie wires for use in building construction. In November 2003, U.S. Customs and Border Protection redefined this finished steel wire product as a cold-finished bar and assigned it a miscellaneous tariff classification for cold finished bars. This decision immediately and retroactively subjected the product to special tariffs under the section 201 safeguard measure on Certain Steel Products which was enacted in March 2002 pursuant to Presidential Proclamation 7529. As a result, L.D. Peters has been forced to pay very substantial penalty duties.

This treatment seems grossly unfair because:

- Hanger and tie wire are wire, and not bar, products. Cold finished bar is produced from hot bar and is used for applications, as stated in the USITC scope definition, “where precise dimensional and surface requirements are specified.” By contrast, these cut wire products are made from wire that has been drawn from wire rod, and their chief requirement is unusual malleability so that installers can bend the ends manually. These wires are specified and manufactured to conform to the ASTM A641, Standard Specification for Zinc-Coated (Galvanized) Carbon Steel Wire.

- Cut-to-length wire and the articles made from it were intentionally excluded from the Section 201 relief measures. The domestic producers of wire products were given the opportunity to propose any of their products for inclusion. The industry did request the inclusion of nails, carbon wire rope, stainless wire rope, and stainless woven cloth. However, no such request was made for wire hangers and ties. As a result, the request made by USTR on behalf of the President did not include these products.

- The subsequent investigation conducted by the U.S. International Trade Commission did not include the producers of these products. Clearly, there was no basis for finding injury for products that had not been investigated. It follows that there is no basis for including hanger and tie wires with the steel bar products subject to relief pursuant to Presidential Proclamation 7529.

L.D. Peters is in the wire products business, and did not believe that a proceeding involving cold finished bar, a distinct product produced by a distinct industry, applied to the wire material it imports. Had the company known at the time that Presidential Proclamation 7529 was issued that its hanger and tie wire products would later be considered to be technically within the scope of the tariffs, it could and would have asked for an exemption under the procedures.
established by your agency at the time the 201 relief was instituted. Presumably, none of the cold finished bar producers — who do not and can not make the products that L.D. Peters imports on the equipment used to produce cold finished bar — would have objected.

We have enclosed a copy of the Customs and Border Protection Headquarters Ruling dated December 8, 2004, classifying hanger and tie wire imports as cold finished bar products. L.D. Peters has appealed this decision to the U.S. Court of International Trade to preserve its rights regarding a refund of the 201 steel duties paid.

In view of these highly unusual circumstances, we respectfully request that you remedy this injustice by issuing a technical correction to the Federal Register notice that imposed the tariffs. The correction could simply state that the cold finished bar category did not include wire products that might be classifiable under HTS 7215.90.3000. Alternatively, the correction could state that the cold finished bar category did not include hanger and tie wire products classifiable under HTS 7215.90.3000. This correction will enable L.D. Peters to seek a refund of these duties from Customs and Border Protection and/or the U.S. Court of International Trade.

We appreciate your attention to this matter. While the dollar amount involved is not large in the context of the scope of the 201 measures, it is substantial to L.D. Peters, a small business. Customs' reclassification has hurt L.D. Peters without benefiting any other party. We believe the facts of this case merit your action to correct the inadvertent damage that has been done to L.D. Peters.

Thank you very much for your consideration, and we look forward to your reply.

Sincerely,

Nita M. Lowey
Member of Congress

Christopher Shays
Member of Congress
The Honorable Peter Allgeier  
Acting United States Trade Representative 
600 17th Street, NW 
Washington, DC 20508 

Dear Ambassador Allgeier:

We wish to express our concern regarding the potentially negative impact of a United States-Thailand Free Trade Agreement (FTA) on pickup truck manufacturing employment in the United States. At risk are the ten pickup truck assembly plants in eight states which employ approximately 20,000 Americans. Thousands more jobs are dependent on this United States based pickup truck production. These jobs may be jeopardized as a result of an FTA that is unbalanced.

We caution against granting Thailand privileged access to critical segments of the United States automotive market if Thailand can be used by third-county automobile producers who restrict our access as a back door into the United States market. By using Thailand as their export platform, third-counties such as Japan, South Korea, and India would not be required to reduce their tariff and non-tariff barriers vis-à-vis American automotive products, effectively bypassing the tariff for their products. To avoid this unintended consequence, we urge you to conduct sensitive automotive negotiations multilaterally so that any granting of access to the United States automotive market is based on the reciprocal gaining of access to foreign automotive markets for United States automotive products.

Thailand is already the world’s second largest producer of pickup trucks. In fact, Thailand’s Board of Investment has actively been recruiting automobile producers from outside of Thailand, including Japan, South Korea, and India, to produce automobiles in Thailand. Some of these producers have cited Thailand’s privileged access to foreign markets through FTAs as a rationale for setting up production in Thailand.

Many of these producers from outside of Thailand have moved their pickup truck production out of their home countries and into Thailand in order to make Thailand their global pickup truck production and export base. As a result of this activity by automobile producers from outside of Thailand, pickup truck production in Thailand will soon approach one million units annually and could grow even larger.

The American automobile industry is a major driver of the United States economy – leading all United States industries in annual research and development spending, directly employing over 500,000 highly skilled and efficient workers, supporting the jobs of over 7 million other workers and playing a critical role in reviving the United States economy.
Negotiations on access to such critical segments of the United States automobile market should not take place on a piecemeal basis. Rather, these negotiations should only take place as part of negotiations that include all major automobile producing nations. Additionally, these comprehensive negotiations should address both tariff and non-tariff barriers specific to the automobile industry, with progress on eliminating tariff barriers also explicitly linked to concrete progress on eliminating non-tariff barriers.

Thank you for your consideration of this request.

Sincerely,

[Signatures]

Ole E. Kildee

Sander Lewis

Jack Wald

Eve Miller
Not A Brady  Anna Zhoor  Lloyd Dogger

Joshua

Mike Ross  Noby

Erick Butterfield  J Parker

Patrick Kennedy  Charlie Robinson  Mike Doyger

Sarah

Nadia  Edward

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Joe Brown  Chris Allsopp  Harold Ford
Martin C. Scott  David Scott  Frank Pallerino Jr.
Allison Lee  Jeremiah Bean  Jim Marshall
Louise Mauners  Ruben Hernandez  Dave Brown
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Sander M. Levin

James T. Walsh
Thaddeus G. McCotter

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Paul E. Kanjorski
David E. Price
Barney Frank
Henry A. Waxman
Benjamin L. Cardin
Jose E. Serrano
Robert E. Andrews

Robert Menendez
Rosa L. DeLauro
Martin Olav Sabo
Nita M. Lowey
John M. McHugh
Sherrod Brown
Chaka Fattah
Jesse L. Jackson, Jr.

Bart Stupak
Nancy Pelosi
Luis V. Gutierrez
Steven C. LaTourette
Norman D. Dicks
Ed Pastor
Corrine Brown
Thomas H. Allen

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Steny H. Hoyer
James R. Langevin

Brad Sherman
Rush D. Holt
Allen Boyd
Vic Snyder
Leonard L. Boswell
Earl Pomeroy
Emanuel Cleaver
Debbie Wasserman Schultz
Robert Wexler

David Wu
Linda T. Sánchez
Sam Farr
Tom Udall
Danny K. Davis
Michael E. Capuano
Gregory W. Meeks
John F. Tierney
Artur Davis

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Rahm Emanuel
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John T. Salazar
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Bennie G. Thompson
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Eliot L. Engel
Edolphus Towns
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Marion Berry
Gene Green
Maxine Waters
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Bob Filner
Solomon P. Ortiz

James P. Moran
Lane Evans
Steven R. Rothman
John D. Dingell
Marcy Kaptur
Jerrold Nadler
Sanford D. Bishop, Jr.
Sheila Jackson-Lee
Silvestre Reyes
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Shays:

As you know, the Administration has been engaged in an intensive effort to reach an agreement with the European Union (EU) to end EU subsidies to Airbus. Given your previous interest in this issue, I thought you would appreciate an update on the progress we have made toward achieving this goal.

On January 11, the United States and the EU reached agreement on the terms for a negotiation that would end subsidies for the development and production of large civil aircraft. The EU's previous reluctance to commit to this goal was the immediate catalyst for our decision last October to terminate the 1992 U.S.-E.U. Agreement on Large Civil Aircraft and to seek consultations at the World Trade Organization (WTO). The EU has also agreed that we will use the definition of "subsidy" in the WTO Subsidies Agreement as the basis for the disciplines in the new agreement. The EU's acceptance of these terms marks the first time in this long-standing dispute that Europe has agreed that the goal of our negotiation should be to end subsidies.

The United States and the EU have set a three-month time line for concluding our negotiations. We have also agreed that, during the negotiations, neither side will commit any new government support for large civil aircraft (such as the proposed Airbus A350), and each side will refrain from taking additional steps in the WTO process. If our efforts to reach an agreement do not bear fruit, however, the Administration is prepared to return to the WTO. The Administration is committed to eliminating further subsidies to Airbus either through the negotiation of a new agreement or through WTO dispute settlement.

Sincerely,

Robert B. Zoellick
The Honorable Robert B. Zoellick  
United States Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

Dear Ambassador Zoellick,

We write to commend you for your dedication to ensuring that U.S. companies can compete on a level playing field. We strongly support your decision to withdraw from the outdated 1992 United States-European Union Agreement on Trade in Large Civil Aircraft and your decision to file a trade case at the World Trade Organization over continued European government subsidization of its commercial aircraft manufacturer, Airbus.

There is broad, bipartisan support in Congress for your efforts to challenge the massive subsidies that European governments have been giving to Airbus for decades.

As you are well aware, Airbus has received about $15 billion in launch aid, which, if borrowed commercially, would have added $35 billion in additional debt to its books. This subsidy offers a significant advantage for Airbus over its sole competitor, U.S. aerospace company Boeing.

Because launch aid and other subsidies shield Airbus from the full assumption of commercial risk, it can pursue more aggressive pricing and financing practices than a non-subsidized competitor such as Boeing.

It is time to put a stop to this anti-competitive behavior. Boeing, the nation's largest exporter of manufactured goods, has paid a heavy price: a loss of 20 percentage points of market share in just the last five years; significant sales losses due to Airbus' ability to use its subsidized advantage to dramatically undercut pricing on airplanes; and the loss of tens of thousands of high-paying American manufacturing jobs.

America's aerospace workers deserve a level playing field. Your decision to pursue this course of action is based on clear evidence that Airbus has received an unfair advantage, not any outside motives, as suggested by your counterparts in Europe.

The future of a critical American industry hangs in the balance, and we are solidly behind your efforts to stop Europe's unfair subsidies. We are determined to see this case through to the end, and we look forward to giving you any assistance necessary.

Very truly yours,

[Signature]

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James B. Clyburn
Ben Chandler
Sam Farr
Dave Camp
Henry F. Jeanne
Ned Koloff
Bill Nelson
Bob Filner
T. J. Yollin
William S. Amore
W. J. Lacy Clay
Zoe Lofgren
Emanuel A. Schiff
John Ederer
Me Farr
U.S. Trade Representative Robert Zoellick
WTO - Airbus Subsidies
Congressional Letter of Support; Nov. 18, 2004
242 Co-signers (124 Dems, 118 GOP)

Abercrombie, Neil
Ackerman, Gary L.
Aderholt, Robert B.
Akin, W. Todd
Alexander, Rodney
Baca, Joe
Bachus, Spencer
Baird, Brian
Baldwin, Tammy
Ballenger, Cass
Bartlett, Roscoe G.
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Berkley, Shelley
Berman, Howard L.
Berry, Marion
Biggert, Judy
Bilirakis, Michael
Bishop, Rob
Blackburn, Marsha
Bilirakis, Michael
Bilirakis, Michael
Blumenauer, Earl
Blunt, Roy
Bonner, Jo
Bono, Mary
Boozman, John
Borders, Leonard L.
Boyd, Allen
Brady, Robert A.
Brown, Corrine
Brown, Henry E. Jr.
Brown, Sherrod
Brown-Waite, Ginny
Burns, Max
Butterfield, G. K.
Buyer, Steve
Calvert, Ken
Camp, Dave
Capito, Shelley Moore
Capps, Lois
Capuano, Michael E.
Cardin, Benjamin L.
Carson, Brad
Chandler, Ben
Clay, Wm. Lacy
Clyburn, James E.
Coble, Howard
Costello, Jerry F.
Cramer, Robert E. (Bud) Jr.
Crane, Philip M.
Crowley, Joseph
Culberson, John Abney
Cunningham, Randy "Duke"
Davis, Danny K.
Davis, Jo Ann
Davis, Susan A.
DeFazio, Peter A.
Diaz-Balart, Lincoln
Diaz-Balart, Lincoln
Dicks, Norman D.
Dingell, John D.
Dooley, Calvin M.
Dooley, Calvin M.
Doolittle, John T.
Doyle, Michael F.
Duncan, John J. Jr.
Dunn, Jennifer
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Emanuel, Rahm
Emerson, Jo Ann
Engel, Eliot L.
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Goode, Virgil H. Jr.
Gordon, Bart
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Gutierrez, Luis V.
Gutknecht, Gil
Hall, Ralph M.
Harman, Jane
Harris, Katherine
Hart, Melissa A.
Hastings, Doc
Hayes, Robin
Hayworth, J. D.
Herger, Wally
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Hinojosa, Ruben
Hobson, David L.
Hoekstra, Peter
Holden, Tim
Honda, Michael M.
Hooley, Darlene
Houghton, Amo
Hoyer, Steny H.
Hulshof, Kenny C.
Hunter, Duncan
Hyde, Henry J.
Inselee, Jay
Isakson, Johnny
Israel, Steve
Issa, Darrell E.
Jefferson, William J.
Jenkins, William L.
Johnson, Eddie Bernice
Johnson, Nancy L.
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Johnson, Timothy V.
Jones, Walter B.
Kaptur, Marcy
Kennedy, Mark R.
Kildee, Dale E.
Kind, Ron
Kingston, Jack
Kirk, Mark Steven
Knollenberg, Joe
LaHood, Ray
Lampson, Nick
Lantos, Tom
Larsen, Rick
Larson, John B.
Lewis, Jerry
Lewis, John
Lipinski, William O.
LoBiondo, Frank A.
Lofgren, Zoe
Lucas, Ken
Lynch, Stephen F.
Maloney, Carolyn B.
Manzullo, Donald A.
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Matsui, Robert T.
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Rodriguez, Ciro D.
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Rogers, Mike
Ross, Mike
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Ruppersberger, C. A. Dutch
Rush, Bobby L.
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Sanchez, Loretta
Saxton, Jim
Schakowsky, Janice D.
Schiff, Adam B.
Scott, David
Scott, Robert C.
Sensenbrenner, F. James Jr.
Serrano, José E.
Sessions, Pete
Shays, Christopher
Sherman, Brad
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Shuster, Bill
Simmons, Rob
Simpson, Michael K.
Skelton, Ike
Smith, Adam
Smith, Lamar S.
Solis, Hilda L.
Souder, Mark E.
Stearns, Cliff
Strickland, Ted

Sullivan, John
Sweeney, John E.
Tancredo, Thomas G.
Tanner, John S.
Tauscher, Ellen O.
Taylor, Charles H.
Taylor, Gene
Thompson, Mike
Tiahrt, Todd
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Towns, Edolphus
Turner, Michael R.
Udall, Mark
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Upton, Fred
Walden, Greg
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Watson, Diane E.
Weiner, Anthony D.
Weldon, Curt
Weller, Jerry
Wexler, Robert
Whitfield, Ed
Wilson, Joe
Wu, David
Wynn, Albert Russell
Young, C. W. Bill
Young, Don
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC 20515  

Dear Congressman Shays:

Thank you for your letter to the President expressing your strong support for a free trade agreement (FTA) between the United States and Morocco. The President shares your commitment to the U.S.-Morocco relationship, and, on his behalf, I can assure you that the Administration is working hard to bring the FTA into effect.

As you know, our FTA negotiations with Morocco concluded on March 2, 2004. Following the 90-day waiting period required by the Trade Act of 2002, we signed the agreement on June 15. We expect to submit implementing legislation in time for Congress to consider the agreement before the end of the year. Our goal is to see the agreement go into effect on January 1, 2005.

The U.S.-Morocco FTA is a high-caliber agreement that will enhance the economic and political relationship between our two countries. As you point out, our relationship with Morocco has been long and fruitful, and I believe the FTA will add a new and beneficial chapter to our relations. I look forward to working with you and your colleagues to gain prompt passage of implementing legislation.

Sincerely,

Robert B. Zoellick
February 9, 2004

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Bush:

As the United States of America and the Kingdom of Morocco prepare to complete an important Free Trade Agreement, we wish to commend you for your work to deepen the U.S.-Morocco friendship.

As you know, on July 15, 1786, a Treaty of Peace and Friendship between The Kingdom of Morocco and the United States of America was entered into. This historic agreement remains the oldest unbroken treaty in the history of U.S. foreign relations.

Over the past two centuries, Morocco has repeatedly proven its friendship with the United States. From the crucial contributions of King Hassan II in the 1979 peace treaty between Israel and Egypt and throughout the Arab-Israeli peace process, to Morocco’s deepening commitment to democratic pluralism, Morocco has always been at the heart of America’s strategic alliance in the Middle East.

Most recently, Morocco, under the leadership of King Mohamed VI, has been an extraordinary ally in the War on Terrorism. The Department of State’s Patterns of Global Terrorism 2002 cites Morocco’s “solid record of vigilance against terrorist activity and intolerance for the perpetrators of terrorism” in 2002. Morocco’s commitment as a staunch ally has not wavered, even in the face of the tragic terrorist bombings that took place in Casablanca on May 16, 2003.

As Morocco continues to be a voice for moderation and democratic pluralism in the Muslim world, the unique, two century old, relationship between the U.S. and Morocco is set to expand with the completion of the U.S.-Morocco Free Trade Agreement (FTA). As this old friendship approaches a new milestone, we hope this FTA will enhance the historic alliance between the United States and Morocco for centuries to come.

As a key ally in the Muslim world, it is important that the U.S. continue to strongly support Morocco on issues that concern our ally’s national and regional security. Thank
you for your continuing commitment to the relationship between the United States of America and the Kingdom of Morocco.

Sincerely,

/ Lincoln Diaz-Balart (R-FL) 
/ Phil English (R-PA) 
— Tom Delay (R-TX) 
— Tom Lantos (D-CA) 
— Vito Fossella (R-NY) 
— Jennifer Dunn (R-WA) 
— Thad McCotter (R-MI) 
— Dave Hobson (R-OH) 
— Ken Calvert (R-CA) 
— Jim McCrery (R-LA) 
— Ileana Ros-Lehtinen (R-FL) 
— Michael Oxley (R-OH) 
— Tom Feeney (R-FL) 
— Roy Blunt (R-MO) 
— Jim Davis (D-FL) 
— Don Sherwood (R-PA) 
— Pete Sessions (R-TX) 
— Mike Rogers (R-MI) 
— Collin Peterson (D-MN) 
— Mark Kennedy (R-MN) 
— John Mica (R-FL) 
— Mario Diaz-Balart (R-FL) 
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— Eric Cantor (R-VA) 
— Rodney Frelinghuysen (R-NJ) 
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— John Linder (R-GA) 
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— Cal Dooley (D-CA) 
— Mike Castle (R-DE) 
— Vernon Ehlers (R-MI) 
— Christopher Shays (R-CT) 
— Duke Cunningham (R-CA) 
— Peter King (R-NY) 
— Melissa Hart (R-PA) 
— Mark Foley (R-FL) 
— Lee Terry (R-NE) 
— Ander Crenshaw (R-FL) 
— Katherine Harris (R-FL) 
— George Nethercutt (R-WA) 
— John Kline (R-MN) 
— Mark Kirk (R-IL) 
— Porter Goss (R-FL) 
— Billy Tauzin (R-LA) 
— J.D. Hayworth (R-AZ) 
— Richard Pombo (R-CA) 
— Michael Simpson (R-ID)
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Shays:

Thank you for your letter concerning product and sector coverage in the U.S.-Central America Free Trade Agreement (CAFTA).

On December 17, 2003, the United States concluded negotiations with El Salvador, Guatemala, Honduras, and Nicaragua. We subsequently reached agreement with Costa Rica on January 25, 2004. The agreement will strip away barriers to trade, eliminate tariffs, open markets, and promote investment, economic growth, and opportunity for the United States and the five Central American countries.

More than 80 percent of U.S. exports of consumer and industrial products to Central America will be duty-free immediately upon entry into force of the agreement, and 85 percent will be duty-free within five years. All remaining tariffs on these goods will be eliminated within ten years. The Central American countries will accord substantial market access across their entire services regime, subject to very few exceptions, using the so-called “negative list” approach. Tariffs on most U.S. farm products will be phased out within 15 years.

We agree with your concerns about exclusions in the CAFTA. No products were excluded from the negotiations, and all products in all countries will enjoy improved market access. Tariffs will be eliminated for nearly all products. For an extremely limited number of very sensitive products, liberalization will occur through expanded tariff-rate quotas and elimination of in-quota duties rather than out-of-quota tariff cuts. This approach preserves the strong general approach for other products and ensures improved access for all products.

Thank you again for your letter. I appreciate your interest in this issue and look forward to working with you on future free trade agreements, where our common objective is to open markets with free trade partners and continue to push trade liberalization. Please contact me or my staff if you should have additional concerns.

Sincerely,

Robert B. Zoellick
Congress of the United States
House of Representatives
Washington, DC 20515
November 10, 2003

The Honorable Robert B. Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Zoellick:

We are writing to you concerning product and sector coverage in the U.S.-Central America Free Trade Agreement (FTA) negotiations.

We are deeply concerned by reports that the Central American countries participating in these negotiations have identified specific products or sectors where they seek exemptions from fully free trade under the FTA. Accepting exemptions or exclusion would weaken these agreements and therefore we applaud the strong stance that you and your negotiators have taken to date in opposing exceptions to the agreement.

The United States is currently engaged in numerous bilateral and regional negotiations. Allowing exemptions under the U.S.-Central America FTA would send a damaging message to future trading partners that they too can expect to receive exemptions from the principle of fully free trade for sensitive areas in FTA negotiations with the United States. Such a result would be particularly troubling because it is in the most sensitive areas, such as agricultural, industrial goods and services trade, where the United States has the most to gain from FTA negotiations.

As we understand it, the next few months will be critical for the timely conclusion of the U.S.-Central American Free Trade Agreement. We urge you to continue to press for duty free, quota free treatment for all products and meaningful commitments in all sectors during the final negotiating sessions. Sheltering critical sectors from the agreement would set a dangerous precedent that would seriously undermine our ability to produce commercially meaningful agreements in the future.

We appreciate your attention to this very important matter and look forward to working with you and your negotiating team.

Sincerely,

John Boehner

[Signature]

Sincerely,

Kevin Brady
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, D.C. 20515  

Dear Congressman Shays:

Thank you for your letter to the President concerning the U.S.-Australia Free Trade Agreement (FTA) negotiations and your support for comprehensive market access commitments.

As you know, on February 8, 2004, we concluded an historic free trade agreement with Australia designed to eliminate and reduce tariffs and other trade barriers and promote economic growth and prosperity. More than 99 percent of U.S. exports of manufactured goods to Australia will become duty-free immediately upon entry into force of the Agreement. The FTA also contains important benefits for U.S. service suppliers, as well as encourages additional foreign investment flows, strengthens intellectual property protection, and improves transparency and other commitments on market access issues related to pharmaceuticals.

The FTA also establishes new mechanisms for scientific cooperation between U.S. and Australian authorities to resolve animal and plant health matters with a view to facilitating trade. As examples of the improved cooperation, Australia eliminated the 30-day aging rule on U.S. beef in August 2003, published a final import risk assessment on February 19, 2004, allowing entry of processed pork, and will soon issue a final import risk assessment on Florida citrus.

We achieved a balanced approach for agriculture. All U.S. agricultural exports to Australia, totaling more than $400 million, will receive immediate duty-free access providing expanded export opportunities. For import sensitive products, the agreement uses extended tariff phase outs, tariff rate quotas and safeguards to respond to concerns that have been expressed by Members of Congress and U.S. farmers and ranchers.

Australia's current quota access for sugar will remain unchanged. Compromises are part of every successful negotiation and are not immutable precedents. The common element is that in all of our trade agreements – like the Australia FTA – we struck careful balances to gain broad support, expand trade and create new economic opportunities.

I appreciate hearing from you on these important issues, and I look forward to working with you as we prepare to send this Agreement to the Congress for its consideration and approval.

Sincerely,

Robert B. Zoellick
Jan 16, 2004

The Honorable George W. Bush
President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Bush:

We are writing to encourage you to press for comprehensive market access commitments for all products, in all sectors, during the final negotiations of the U.S.-Australia Free Trade Agreement (FTA).

Australia is an important market for the U.S. For example, trade in services has grown to $8.9 billion, making it the largest and fastest growing sector between the two countries. Furthermore, more than half of U.S. imports from Australia are goods or raw materials that require further processing by manufacturers in the U.S., supporting approximately 178,000 jobs in our manufacturing industry.

As you conclude the U.S.-Australia FTA in the next few weeks, we support your efforts to eliminate any unjustified sanitary or phytosanitary restrictions which impede U.S. agricultural exports to Australia. We also believe that a comprehensive agreement for all agricultural commodities would produce a commercially meaningful FTA that will expand market access for both countries.

We are aware that some U.S. agricultural interests are seeking to limit or exclude certain sensitive commodities from liberalization commitments in the FTA. These groups support maintaining the status quo. As we have seen before, adopting protections for certain commodities comes at the expense of others, leaving an agreement that is incomplete and inequitable. We strongly believe that all commodities must be part of this agreement and that the U.S. should use this opportunity to bring free trade principles to bear in both the Australian and U.S. agricultural import markets.

Allowing any exemptions for specific products or sectors in a trade agreement with a developed country would set a poor precedent that would compromise future negotiations by allowing trading partners to carve out exclusions for sensitive products or sectors. The sectors that are sensitive to our trading partners—whether in agriculture, manufacturing or services—are frequently the very sectors that offer the greatest export opportunities to U.S. producers.
The Honorable George W. Bush  
January 16, 2004  
Page 2

We appreciate your attention to this important issue and look forward to working with you on this trade agreement.

Best regards,

JENNIFER DUNN  
Member of Congress

PHIL CRANE  
Member of Congress

PHIL ENGLISH  
Member of Congress

CHARLES BASS  
Member of Congress

JIM KOLBE  
Member of Congress

JIM RAMSTAD  
Member of Congress

JOHN BOEHNER  
Member of Congress

DEBORAH PRYCE  
Member of Congress

DAVID DREIER  
Member of Congress

ERIC CANTOR  
Member of Congress

KEVIN BRADY  
Member of Congress

MARK SOUDER  
Member of Congress
The Honorable George W. Bush
January 16, 2004
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DAVID SCOTT
Member of Congress

MIKE OxLEY
Member of Congress

CLAY SHAW
Member of Congress

SAM JOHNSON
Member of Congress

cc: The Honorable Robert Zoellick,
    United States Trade Representative
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC  20515

Dear Congressman Shays:

President Bush asked me to respond to your letter urging that the steel safeguard measures be eliminated.

As you know, on December 4, 2003, the President announced his decision to terminate the temporary steel tariffs. The President took this action pursuant to his authority under Section 204 of the Trade Act of 1974, based on the Administration's thorough monitoring and review of conditions in the steel sector and the economy overall. He determined that, as a result of changed economic circumstances, the safeguard measures had achieved their purpose and it was time to lift them.

In the 22 months since the safeguards were imposed, economic conditions have changed significantly. Many steelmakers used the breathing room offered by the tariffs to restructure and consolidate to make them stronger financially. Several major producers negotiated groundbreaking labor contracts with their workers that reduce costs, raise productivity, and provide greater flexibility that will enhance their competitiveness. The Pension Benefit Guarantee Corporation (PBGC) relieved the high pension costs that burdened a large number of steel companies while protecting the pensions of their employees and retirees. The three largest pension plans, with total guaranteed benefit underfunding of nearly $6.7 billion, belonged to Bethlehem Steel, LTV Corporation, and National Steel. These companies had plants in Illinois, Indiana, Maryland, Ohio, Michigan, and Pennsylvania.

Market conditions have also improved, both domestically and internationally. Domestic prices for key products are recovering as world prices rise and the U.S. economy strengthens. In fact, prices for flat-rolled products are now higher in other important markets than in the United States. While the financial crises in Russia and Southeast Asian countries prompted a surge in U.S. steel imports beginning in 1998, recovery is now apparent in these markets. These favorable conditions have helped to reduce the share of imports in the U.S. market to the lowest level in a decade while boosting exports of U.S. steel mill products to record levels.

As you may have read, subsequent to the termination of the safeguard, on December 12, the International Steel Group became the first U.S. steel company to hold an initial public offering in seven years, and the stock rose 26 percent on its first day of trading. In addition, subsequent to the termination, Nucor and Weirton Steel of West Virginia announced significant price increases on their steel sheet products.
The President and Administration will continue to provide opportunity for the steel industry, steelworkers, and steel communities in a number of ways. The Commerce Department will keep monitoring steel imports through the steel licensing program. The Administration will continue to work with state governments to implement the Health Coverage Tax Credit that helps displaced steelworkers pay for their health insurance premiums.

In addition, the Administration is working in the OECD to conclude an agreement that would provide tough disciplines for government subsidies in the steel sector. Participating governments have reached a consensus on a number of core elements and recently agreed on a schedule of work aimed at producing an advanced negotiating text by the spring of 2004.

Throughout the process of analyzing steel industry issues, the Administration has consulted closely with steel producers, steel consumers, and interested Members of Congress, and we will continue to do so as we work to ensure that U.S. steel producers have every opportunity to compete fairly in a stronger, growing economy. I appreciate hearing your views on this important issue.

Sincerely,

Robert B. Zoellick
The President
The White House
Washington, DC

Dear Mr. President:

As advocates for a strong international trade agenda, we urge you to eliminate the Section 201 steel tariffs at the earliest opportunity. Removing these tariffs will provide important momentum to the efforts to break down the barriers to free trade worldwide.

A strong global trading system is critical to America's economic prosperity and global competitiveness. Your Administration is wisely pursuing a trade agenda that will hopefully provide enormous opportunities to open new markets for America's goods, services, and farm products. As the United States Trade Representative has stated, the elimination of global tariffs worldwide would “benefit the average American family of four with an extra $1,600 a year, while also removing high foreign tariff barriers on more than $670 billion in U.S. industrial and consumer goods exports.” In order to keep America economically strong, our free trade agenda must succeed.

While there is a consensus in this country in support of free trade, your leadership is necessary for this to continue. If the steel tariffs remain in place, America's trade agenda will lose support domestically and abroad. This will only serve to undermine our burgeoning economic recovery. By completely eliminating the Section 201 steel tariffs, you can send a signal to American consumers and our trading partners that the United States stands proudly as the world's leader in advancing trade liberalization.

For the sake of our economy and to rejuvenate our trade agenda, we urge you to completely eliminate the steel tariffs.
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Shays:

President Bush appreciated your letter expressing support for a free trade agreement (FTA) with Australia. The Administration shares the view expressed in your letter that the vibrant economic relationship between the United States and Australia provides significant trade and investment opportunities to U.S. companies.

We have made substantial progress toward achieving a high-quality, comprehensive agreement that will provide enhanced trade and investment opportunities across a broad spectrum of economic sectors for U.S. business in Australia. Teams from both countries held very productive negotiations in early December in Washington. During these negotiations, many gaps on important issues in the FTA were closed or substantially narrowed. After five rounds of negotiations since March, there are still some important issues that we must work through prior to concluding FTA negotiations.

I have been in regular contact with Australian Minister for Trade Vaile in order to ensure that we maintain good forward momentum in our FTA negotiations. I have directed U.S. negotiators to continue their work via phone, email, and video-conference until we meet the Australians again in January for what we hope will be the conclusion of the negotiations.

Again, thank you for your letter. With your continuing support, I am confident that we will be able to conclude a strong agreement that effectively promotes U.S. interests and benefits both the United States and Australia.

Sincerely,

Robert B. Zoellick
Congress of the United States  
Washington, DC 20515

October 14, 2003

The Honorable George W. Bush  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Bush:

We are pleased that you will be visiting Australia in the coming weeks, a visit which recognizes Australia's contribution to the war on terrorism and our century of alliance. During your visit, we strongly urge you to reiterate your commitment to Prime Minister Howard in May 2003 to complete negotiations on the free trade agreement (FTA) with Australia by the end of this year.

Our economic and cultural ties are extensive and growing, making this negotiation a significant opportunity for both the U.S. and Australia. While there are more than $57 billion in direct foreign investment between the two countries, a more accurate picture of investment flows indicate that more than $100 billion of U.S. assets are in Australia and over $60 billion in Australian assets here. Furthermore, two-way trade exceeds $28 billion with more than $11.5 billion of U.S. exports to Australia resulting in thousands of high paying U.S. manufacturing jobs.

A comprehensive free trade agreement between our two countries would combine more than 304 million consumers in a market of $10.8 trillion annually. It will enhance our already strong manufacturing export trade with Australia. Both nations share similar commitments to protect human and workers rights, and the environment. It will also demonstrate to the world that we can negotiate a mutually advantageous trade agreement that sets high standards for others to follow. Without a doubt, the U.S.-Australia FTA would provide tremendous benefits to both countries.

It is with all these prospects in mind that we urge you to stay on course to conclude the FTA negotiations with Australia by the end of this year. We look forward to working with you to make it successful for all sectors of the American economy.

Best regards,

JENNIFER DUNN  
Member of Congress  

CAL DOOLEY  
Member of Congress
The Honorable George W. Bush
October 14, 2003
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ROY BLUNT
Member of Congress

RICHARD NEAL
Member of Congress

NANCY JOHNSON
Member of Congress

ELLEN TAUSCHER
Member of Congress

J.D. HAYWORTH
Member of Congress

ADAM SMITH
Member of Congress

JIM DAVIS
Member of Congress

JIM RAMSTAD
Member of Congress

McPALL UXLEY
Member of Congress

JOHN BOEHNER
Member of Congress

EDWARD SCHROCK
Member of Congress

CAROLYN MALONEY
Member of Congress

JIM MORAN
Member of Congress

MARK SOUDER
Member of Congress
The Honorable George W. Bush
October 14, 2003
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Heather Wilson
HEATHER WILSON
Member of Congress

Earl Blumenauer
EARL BLUMENAUER
Member of Congress

Norm Dicks
NORM DICKS
Member of Congress

Gregory Meeks
GREGORY MEEKS
Member of Congress

Rahm Emanuel
RAHM EMANUEL
Member of Congress

Jim Matheson
JIM MATHESON
Member of Congress

Pete Sessions
PETE SESSIONS
Member of Congress

Joe Knollenberg
JOE KNOLLENBERG
Member of Congress

E. Clay Shaw
E. CLAY SHAW
Member of Congress

Madeleine Bordallo
MADELEINE BORDALLO
Member of Congress

Jim Leach
JIM LEACH
Member of Congress

Ray Heflin
RAY HEFLIN
Member of Congress

Joseph Crowley
JOSEPH CROWLEY
Member of Congress

Christopher Shays
CHRISTOPHER SHAYS
Member of Congress
The Honorable George W. Bush
October 14, 2003
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JIM KOLBE
Member of Congress

STEVE CHABOT
Member of Congress

JUDY BIGGERT
Member of Congress

MICHAEL BILIRAKIS
Member of Congress

DENNIS MOORE
Member of Congress

CHRIS BELL
Member of Congress

ILEANA ROS-LEHTINEN
Member of Congress

JEB HENSARLING
Member of Congress

JEB DE MINT
Member of Congress

ROB PORTMAN
Member of Congress

DARRELL ISSA
Member of Congress

AMO HOUGHTON
Member of Congress

STEVE KING
Member of Congress

PATRICK TOOMBY
Member of Congress
The Honorable George W. Bush
October 14, 2003
Page 5

WILLIAM JEFFERSON
Member of Congress

PATRICK TIBERI
Member of Congress

HENRY HYDE
Member of Congress

JEFF FLAKE
Member of Congress
The Honorable Christopher Shays
United States House of Representatives
Washington, DC 20515

Dear Congressman Shays:

President Bush appreciated your letter expressing support for the launch of negotiations for a free trade agreement (FTA) with Thailand. The Administration shares the views expressed in your letter that the vibrant economic relationship between the United States and Thailand provides significant trade and investment opportunities to U.S. companies. It is for this reason that, as you know, the President announced on October 19 his intent to enter into FTA negotiations with Thailand, in accordance with the legislative procedures specified by Congress.

An FTA would create substantial new opportunities for U.S. exporters, including for industrial goods, services and agricultural products. In doing so, it could build on the already rapid increase in trade you noted in your letter and generate increased employment opportunities in both countries. Negotiation of an FTA also would preserve the preferential status of U.S. investments, a top priority for U.S. industry. A number of manufacturing, services, and agricultural groups have expressed their enthusiasm for proceeding with an FTA with Thailand, which they see as a growing market for their goods and services. We also have received letters supporting a U.S.-Thailand FTA from some of your colleagues.

The United States also hopes that an FTA will generate increased cooperation with Thailand on our multilateral trade agenda. We welcome Thailand’s active role in promoting regional trade and investment liberalization through APEC and its recent reiteration of its support for global trade liberalization. Thailand did an excellent job hosting this year’s successful APEC meetings, at which all 21 APEC members called for the resumption of the Doha negotiations based on the text developed at Cancun.

As you note in your letter, Thailand is a longstanding security partner of the United States and in recent years has played a vital role in counter-narcotics and counter-terrorism, having sent troops to Afghanistan and Iraq, and capturing the al-Qaeda mastermind of the Bali bombings. The President’s decision to designate Thailand as a major non-NATO ally is a clear indication that he shares your assessment of the value of our partnership with Thailand.
I appreciate your support for our free trade agenda and share your assessment that an FTA with Thailand will strengthen the trade and investment relationship between our two countries. Our formal notification letter to Congress will outline these and other specific objectives. As I begin my consultations on this prospective FTA, I look forward to discussing further how we can best advance U.S. business interests in Thailand.

Sincerely,

Robert B. Zoellick
The Honorable George W. Bush  
President of the United States  
The White House  
Washington, DC 20500

October 10, 2003

Dear Mr. President:

We are writing to express our support for your Administration's work in reinforcing the already strong economic relationship between the United States and Thailand, the host of the upcoming Asia-Pacific Economic Cooperation (APEC) meeting in Bangkok, October 20-21, 2003. We hope that further progress in the relationship can result in your announcement of the start of negotiations of a bilateral free trade agreement (FTA) during the APEC Summit later this month.

Moving forward with a U.S.-Thailand FTA is an important next step in advancing your Enterprise for ASEAN Initiative (EAI), which you announced at the Los Cabos APEC meeting in the fall of 2002. The EAI offers the prospect of bilateral free trade agreements between the US and ASEAN countries that are WTO members and have signed a TIFA with the U.S. The US-Singapore Free Trade Agreement, now in effect, is an important first step. We suggest that Thailand is the next best opportunity.

The United States and Thailand enjoy a vibrant economic relationship, characterized by a rapid increase in trade and investment flows over the last decade. U.S. imports from Thailand grew by 210 percent between 1990 and 2000, while U.S. exports to the Kingdom of Thailand grew by 120 percent. According to U.S. Commerce Department data, U.S. investment in Thailand grew by nearly 300 percent during the same period. The U.S. is the largest export market for Thailand and by the year 2000, two-way trade between the two countries was well above the levels experienced prior to the Asian Financial Crisis. American investment in Thailand, concentrated in the petroleum and chemicals, finance, consumer products, and automobile production sectors, is estimated by the U.S. Embassy to be in the range of $16-18 billion. There are significant opportunities to enhance and expand our trade and investment relationship.

Just as importantly, Thailand is the United States' oldest treaty ally in Asia, with our relations dating back to 1833 and that strong alliance continues today as Thailand is under consideration to be named a major non-NATO ally. Thailand supports us in Iraq, with a military reconstruction team, and in Afghanistan. As part of the mutual defense cooperation over the last decade, Thailand and the United States have developed a vigorous joint military exercise program, which now averages 20 joint exercises per year. The U.S. and Thailand work closely together and with the United Nations on a broad range of programs to halt the flow of narcotics. Thailand worked closely with the United
States and other countries in the region on East Timor and Aceh. Last, but certainly not least, Thailand is a strong supporter of our war on terrorism; Thailand just passed an anti-terrorism law and made an invaluable contribution in the fight with the arrest of Hambali, the mastermind of the Bali bombing.

There are challenges involved in negotiation a free trade agreement between our two countries. Several areas of reform—including customs administration and IPR, which are in the existing trade and investment framework agreement, do need to be addressed prior to the launching the FTA process. We are, however, confident that these challenges can be met and the already strong relationship between our two great countries will become even stronger with your announcement of the intent to negotiate a U.S.—Thailand FTA.

Thank you for your consideration of our request. We look forward to working with you on this very important initiative.

Sincerely yours,

DAVE CAMP
Member of Congress

ROY BLUNT
Member of Congress

JOHN TANNER
Member of Congress

DAVID DREIER
Member of Congress

WILLIAM JEFFERSON
Member of Congress

PHILIP CRANE
Member of Congress

CAL DOOLEY
Member of Congress

ELLEN TAUSCHER
Member of Congress
JIM LEACH
Member of Congress

AMORY HOUGHTON
Member of Congress

DONALD A. MANZULLO
Member of Congress

JEFF FLAKE
Member of Congress

JOE KNOLLENBERG
Member of Congress

JENNAH DUNN
Member of Congress

JERRY WELLER
Member of Congress

JIM COOPER
Member of Congress

GREG MECKS
Member of Congress

JIM MATHESON
Member of Congress

BRAD CARSON
Member of Congress

EARL BLUMENAUER
Member of Congress
PETE SESSIONS
Member of Congress

RICK RENZI
Member of Congress

JUDY BIGGERT
Member of Congress

ROB PORTMAN
Member of Congress

THADDEUS McCOTTER
Member of Congress

JEB HENSARLING
Member of Congress

HAROLD FORD
Member of Congress

DOUG OSE
Member of Congress

MIKE ROGERS
Member of Congress

CHRISTOPHER SHAYS
Member of Congress

MARK SOUDER
Member of Congress

SPENCER BACHUS
Member of Congress

JOHN KLINE
Member of Congress
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC 20515-0704  

Dear Congressman Shays:

Thank you for your letter regarding China's compliance with its World Trade Organization (WTO) commitments.

As you noted, China has made progress toward implementing its WTO commitments, but much remains to be done — especially in the area of intellectual property rights that you highlighted.

In October, I made my fifth trip to China as the U.S. Trade Representative. I met with Vice Premier Wu Yi and other senior officials to discuss bilateral trade concerns, and I stressed the need for China to make immediate progress toward implementation of its WTO commitments and the importance of effective IPR enforcement to U.S. exporters and investors. I also reiterated the Administration's message that China needs to move towards a more flexible exchange rate system. Based on these meetings, and my recent meeting with Premier Wen Jiabao in Washington, I believe that China's senior leaders understand the importance of resolving these problems to our bilateral economic relationship.

Shortly after my return, Deputy U.S. Trade Representative Josette Sheeran Shiner traveled to Beijing for the third time in five weeks to chair a roundtable discussion on IPR issues. Ambassador Shiner emphasized the need for progress on IPR enforcement in China and informed her counterparts of the increasing U.S. concern regarding rampant IPR infringement, including calls in the Congress for a dispute settlement case at the WTO.

We will maintain our efforts at all levels to ensure that China honors its WTO commitments and takes prompt action to resolve implementation concerns. Thank you again for your letter.

Sincerely,

Robert B. Zoellick
The Honorable Robert Zoellick  
U.S. Trade Representative  
600 17th Street, NW  
Washington, DC 20508

Dear Ambassador Zoellick:

Recently, because of concerns raised by manufacturers in Connecticut, I have become increasingly skeptical about Chinese compliance with the commitments made to gain entry into the World Trade Organization (WTO).

I share this Administration's commitment to free trade, but I cannot continue to support free trade when one side refuses to implement free market reforms.

Although both your report of December 11, 2002, and the U.S.-China Business Council's report of June 18, 2003, indicate some progress toward fair trade is being made, both reports seem to come to the conclusion that China has significant issues to address in complying with WTO requirements.

Furthermore, I have heard many American companies claim that Chinese operatives are stealing their technology in China and then turning around and manufacturing the products themselves at significantly lower costs.

I fully understand that China's compliance will not come overnight. However, it seems to me that unless we take strong action to force the Chinese to liberalize their trade policies, we will continue seeing a hemorrhaging of American jobs, and this is simply unacceptable.

I applaud Treasury Secretary Snow's recent call on China to adopt a more flexible exchange rate regime and hope that, as he presses for action in the financial markets, we will continue to see a strong commitment by the Administration towards opening Chinese trade markets.
Thank you for your attention to this matter and your commitment to free and fair trade.

Sincerely,

Christopher Shays
Member of Congress

CS:mpm
Representative Christopher Shays  
U.S. House of Representatives  
1126 Longworth House Office Building  
Washington, DC 20515-0704

Dear Representative Shays:

Thank you for your letter supporting free trade agreement negotiations with the five member countries of the Southern African Customs Union (SACU). These negotiations provide a valuable opportunity to open new markets for U.S. companies, farmers and workers, to build on the tremendous success of the African Growth and Opportunity Act (AGOA), and to further draw southern Africa and the wider region into the mainstream of the global economy.

With your continued support, we can establish an enduring trade and investment partnership with southern Africa that will deliver new hope and economic opportunity to millions and serve as a model for future agreements with the developing world. Trade capacity building will be an integral component of these negotiations, and we have established a special cooperative group to further common technical assistance goals. Building on a $2 million initial grant from USAID and drawing on the resources of multilateral financial institutions and the private sector, this group will help the SACU countries participate fully in negotiations, implement their commitments and take advantage of new trade opportunities.

Our free trade agreement with SACU is a vital part of our broader effort to expand U.S. trade and investment ties with all of sub-Saharan Africa. We look forward to working with you this year to heed President Bush’s call to extend AGOA beyond 2008 and to help countries across the region take full advantage of their existing benefits. We will also continue to work closely with you and with African nations to advance common objectives through the WTO Doha Development Agenda and our bilateral Trade and Investment Framework Agreements with Ghana, Nigeria, the Common Market for Eastern and Southern Africa, and the West African Economic and Monetary Union.

I welcome your continued support for free trade with southern Africa, and I look forward to working with you to secure an agreement that serves the mutual interests of the United States and SACU.

Sincerely,

Robert B. Zoellick
January 9, 2003

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Mr. Ambassador:

We welcome President Bush's recent decision to enter into negotiations for a Free Trade Agreement (FTA) with the five member countries of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). This decision, of which you notified Congress on November 4, 2002, reflects what has been a bipartisan focus on promoting trade and investment with sub-Saharan Africa. We look forward to working with you as you endeavor to negotiate an agreement that will serve the mutual interests of the United States and the nations of the Southern African Customs Union (SACU).

In 2000, Congress passed and President Clinton signed the African Growth and Opportunity Act (AGOA), landmark trade legislation that reflected the strong commitment the Congress and the previous Administration held toward the development needs of the continent. As you have noted on several occasions, sub-Saharan Africa is marginalized from the world economy, which both reflects and reinforces its lack of economic development. We are pleased that in a few short years, several sub-Saharan African countries have benefited considerably from AGOA, which has helped them attract substantial foreign investment and experience impressive job creation as a result. Several of us have had the opportunity to visit some of these countries and witness first hand AGOA at work. While provisions contained in the Trade Act of 2002 enhanced AGOA, more needs to be done.

Through AGOA, Congress called for the negotiation of free trade agreements with interested countries in sub-Saharan Africa. Indeed, this proposed FTA with SACU seeks to build upon AGOA, further encouraging and solidifying economic and commercial reforms that will aid U.S. and other businesses operating within SACU. The SACU countries already represent sales of $3.1 billion (2001) for U.S. exporters. This proposed FTA would work to expand this level of commerce by liberalizing the access of U.S. goods and services to the SACU market and improving its foreign direct investment climate. The Southern African Customs Union is a strong potential FTA partner, as its five member countries have all met AGOA qualification criteria, including a demonstrated commitment to establishing a market-based economy. In time, we hope that other AGOA beneficiaries can be identified for inclusion in this FTA, or in future agreements.
Letter to Ambassador Zoellick. Page 2

It is difficult to look at any region of sub-Saharan Africa and not feel a sense of urgency. The continent faces numerous severe challenges, many of which are related to its distressingly low level of economic development. An FTA with SACU should be an effective tool in our fight against the continent’s economic underdevelopment. The increase in trade and investment it almost certainly would produce would directly aid many Africans and advance our nation’s varied interests in this region. Such an agreement would also strengthen and improve the framework under which trade is conducted, bolster the rule of law, and send a powerful signal that sub-Saharan Africa has the potential to compete and take a meaningful place in the world economy. These SACU FTA objectives should be achieved within the overall policy goal of expanding trade with sub-Saharan Africa. Towards that end, as the negotiations with SACU progress, we hope to work with you on trade and investment capacity building initiatives throughout sub-Saharan Africa, which should help a SACU FTA work for its participating and non-participating countries.

Mr. Ambassador, while our final judgment of this proposed FTA awaits a successful completion of its negotiation, we heartily commend your determination to take this next critical step to deepen the United States’ economic and commercial engagement with the countries of sub-Saharan Africa. We look forward to working with you as these negotiations proceed.

Sincerely,

[Signatures]
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC 20515  

Dear Congressman Shays:

Thank you for the letter from you and your colleagues outlining your support for the upcoming U.S.-Morocco FTA negotiations. As you pointed out, Morocco is a key regional friend in the fight against terrorism and a force for moderation in the Middle East. An FTA with Morocco will not only strengthen our relationship with this important friend through increased access to each other's markets, but will help to solidify the economic reforms Morocco has embarked on.

An FTA will enhance bilateral trade and investment with Morocco and create new opportunities for U.S. businesses, farmers and workers. We will work hard to negotiate and conclude this agreement as quickly as possible within the framework established by the Trade Promotion Authority Act.

I appreciate hearing your thoughts on the importance of this FTA for our political and economic relationship with Morocco, and I will continue to work with you closely as we move forward on the FTA negotiations.

Sincerely,

Robert B. Zoellick
The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Mr. Ambassador:

We noted with great interest the President’s declaration of April 23, 2002 that the United States intends to negotiate a Free Trade Agreement (FTA) with the Kingdom of Morocco. Believing, as we do, that the United States has vital interests at stake in the maintenance of a liberal trade regime with countries that share our essential values and commitment to human rights, we congratulate the Administration for reaching this decision with Morocco – and we look forward to the successful completion of negotiations between our two countries.

While any final judgment on the merits of the proposed FTA must await the completion of those negotiations, we believe this new understanding with Morocco represents a timely initiative with an important friend. Morocco is the signatory to the oldest unbroken treaty in the history of U.S. foreign relations, dating all the way back to 1786, and the country has proved its commitment to the United States many times over the past two centuries. And, even today, Morocco is proving its worth as a full partner in the war against international terrorism. The arrests in recent weeks of numerous al Qaeda operatives offer dramatic confirmation of Morocco’s value in this struggle.

Ultimate success in the war against international terrorism may well hinge, at least in significant part, on the ability of our government to engage the peoples and nations of the Arab and Muslim worlds. Morocco, which already hosts the largest Voice of America facility in the world, has chosen the path of moderation and tolerance. At a time when many voices in the Arab and Muslim worlds are calling for boycotts against the United States, Morocco earnestly desires a closer economic relationship with America. We believe an FTA with Morocco would build upon the existing U.S.-Jordan FTA to demonstrate that the Western and Islamic worlds can make common cause in advancing the economic security and well-being of our peoples.

We also believe such an agreement will have the added benefit of encouraging Morocco’s ongoing social, economic, and political liberalization. And, indeed, there would be tangible economic benefits for the United States and American investors as well. As Morocco’s economy undergoes the transition from its traditional reliance on agriculture to the development of an information- and service-oriented model, it is important to recall that Morocco has been a leader in the developing world for the establishment of a rules-based system for global trade and investment.
There is also a strong potential market for American goods and services. Morocco is already a reliable customer for American aircraft, American-grown grains and cereals, and energy-related services. The untapped potential of Morocco’s telecommunications sector, tourist industry, and its strategic advantage as an export platform to the rest of Africa, the Middle East, and the European Union hold great promise.

Mr. Ambassador, we share your commitment to secure the best possible agreements for the mutual benefit of the American people and our allies. We look forward to the formal launch of negotiations for a U.S.–Morocco FTA, and we will consult closely with you as the negotiations progress to ensure positive and timely results.

Sincerely,

[Signatures]
The Honorable Christopher Shays  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman Shays:

Thank you for your letter regarding the competitive conditions in the U.S. steel industry and the potential impact of trade remedies on steel consuming industries. This Administration is very much aware of the problems facing our steel producing and consuming industries.

As you know, on October 22, 2001, the U.S. International Trade Commission (ITC) found that imports of certain steel products valued at over $10 billion a year have injured U.S. manufacturers and workers. On March 5, 2002, in response to the ITC's unanimous finding that imports were a substantial cause of serious injury to the U.S. steel industry, the President announced his decision to impose (under Section 201 of the Trade Act of 1974) additional tariffs of between 8 and 30 percent on imports of certain steel products.

The Section 201 action on steel is temporary. Tariffs will be phased out over a three-year period, during which time U.S. steel-makers are expected to further restructure, reduce excess capacity and increase productivity - a process that the U.S. government will monitor closely.

Beyond the short-term nature of the relief, the Administration has taken steps to minimize the impact of steel safeguards on our trading partners. For example, the Section 201 remedy exempts countries that have committed to the highest level of reciprocal market access - our North American Free Trade Agreement and FTA partners. Most developing countries will continue to enjoy open access to the U.S. market for all steel products that they produce. Collectively, imports from these FTA partners and developing countries accounted for 35 percent of steel imports in 2000.

In addition, in response to requests from steel consumers and importers, almost 200 specific steel products were excluded from the Section 201 remedy. In his March 5 proclamation, the President directed that other requests for product exclusions be further considered over a 120 day period ending in July 2002. The need for additional product exclusions will also be considered after the remedy has been in effect for 12 months.

The President's decision to impose these remedies will help give America's steel industry and its workers the chance to adjust to import competition without placing an undue burden on U.S. steel consumers. As part of this effort, the President has proposed a major expansion of the The
Honorable Christopher Shays
Page Two

National Emergency Grants program to assist workers affected by restructuring with effective job training and assistance. The President has also proposed new programs to reduce health costs to workers and retirees who lose their employer-provided coverage. The complete details about the President's Section 201 decision, may be found on the USTR website at: http://www.ustr.gov/sectors/industry/steel201/background.htm.

Throughout the process of developing Administration steel policies, we have consulted closely with steel producers, steel consumers, and interested Members of Congress, and we will continue to do so as we work to implement the President's steel policies. Thank you for your letter. I welcome your continued input on this important issue.

Sincerely,

Robert B. Zoellick
The Honorable Robert Zoellick  
600 17th Street, NW  
U.S. Trade Representative  
Washington, DC 20508  

Dear Ambassador Zoellick:

I am writing to express my concerns about the recommendations for restrictions on steel imports the International Trade Commission (ITC) made recently in connection with the Section 201 steel investigation.

Now that the ITC has concluded illegal trade has occurred, we need to find an appropriate remedy to level the playing field. This process is consistent with our international agreement with the World Trade Organization.

I do not, however, believe steel import quotas are the solution. The U.S. steel industry leads the world in productivity because of competition, not protection. In my judgment, the proposed restrictions could raise prices on consumers, adversely affect U.S. businesses and jobs, harm workers who use steel, and threaten the growth of our economy.

You have the authority to recommend options like negotiations or trade adjustment assistance for the steel industry. It seems to me both of these alternatives would assist domestic producers without disrupting international trade or putting the much larger steel-consuming industries at a disadvantage.

Thank you for your attention to this matter and your commitment to free trade.

Sincerely,

Christopher Shays  
Member of Congress
Dear Congressman Shays:

Ambassador Zoellick asked me to respond to your letter regarding the proposed inclusion of hair clippers on the list of products being considered for increased duties as a result of the European Union's failure to comply with WTO rulings in the dispute on beef raised using growth hormones. To date we have made no modifications to that retaliation list, so your constituent, Norelco, has not been affected.

As you know, it is our goal to resolve trade disputes through negotiated solutions, and we turn to retaliation only as an extraordinary last resort. Once retaliation is in place, moreover, we continue to try to reach a solution that will allow us to lift the retaliation. We are continuing our consultations with the EU in an effort to resolve the beef hormones dispute, and hope that we will soon find a solution, as we did in the bananas dispute.

We certainly will keep your concerns in mind, and appreciated hearing from you.

Sincerely,

[Signature]

Allen B. Johnson
Chief Agriculture Negotiator
The Honorable Robert Zoellick  
U.S. Trade Representative  
600 17th Street, NW  
Washington, D.C. 20508  

RE: Proceedings Concerning the European Communities Regime for the Importation, Sales and Distribution of Bananas and the European Communities' Measures Concerning Meat and Meat Products.  
Proposed Determinations to Impose Increased Duties on Imports from Europe under HTSUS 8510.20.00; Docket Nos. 301-62a, 301-100a.

Dear Mr. Ambassador:

We are writing to you on behalf of the employees of Norelco Consumer Products Company, headquartered in Stamford, Connecticut. We request you remove Harmonized Tariff Schedule # 8510.20.00 (hair clippers, including beard trimmers) from the proposed duty increases for selected products imported from the European Union (EU) as a result of non-compliance in the EC-Beef Hormones Case.

This matter was before Ambassador Charlene Barshefsky twice and on both occasions we wrote to express our concerns. Following our first letter of May 4, 1999, Ambassador Barshefsky removed the HTS number from the list of proposed candidates for increased European import duties. The second instance occurred following enactment of the Trade and Development Act of 2000. Again this HTS number was included on a list of proposed items potentially subject to duties; we wrote the U.S.T.R. on June 12, 2000 to request that this HTS number be removed from the candidate list. Ambassador Barshefsky, however, completed her tenure without rendering a decision.

The removal of HTS # 8510.20.00 is even more appropriate now than in the first instance. This is because the proposed list has been issued pursuant to Section 407 of the Trade and Development Act of 2000. Section 407 explicitly provides that product lists include reciprocal goods of industries affected by the EU's non-compliance in the beef hormone dispute. The personal care industry, of which Norelco is a part, is not an industry affected by the beef hormone dispute. Moreover, there is no reasonably conceivable relationship between the product that Norelco imports from the EU (beard trimmers) and beef hormones.
This matter has been brought to our attention by Norelco, which supplies domestic and personal care products to the consumer market. It is an operating company of Philips Electronics North America Corporation, which employs approximately 30,000 people in North America. Philips Electronics North America Corporation is, in turn, a subsidiary of Philips, NV, headquartered in the Netherlands. Norelco employs approximately 120 people in Stamford.

Should the USTR go forward with the proposed punitive duties, Norelco would likely attempt to source the beard trimmers elsewhere. Any delays or product quality glitches that might be experienced by Norelco vendor customers from imposition of such duties would only harm American consumers and ultimately the American employees of Norelco through sales losses.

We respectfully urge you not to harm companies like Norelco whose products are unrelated to the current beef hormone dispute. Such action would be unfair to Norelco’s American workers and their American customers and would only help Norelco’s competitors outside the United States and EU.

Thank you for your attention to this matter and your commitment to free trade.

Sincerely,

Christopher Dodd  
U.S. Senator

Joseph Lieberman  
U.S. Senator

Christopher Shays  
Member of Congress

cc: R. Ives, USTR  
W. Busis, Esq., USTR  
S. Harrison, USTR