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Jacqueline B. Caldwell,
FOIA Officer
Office of the U.S. Trade Representative
Second Floor
1724 F Street, N.W.
Washington, DC 20508

November 10, 2010

BY MAIL

FREEDOM OF INFORMATION ACT REQUEST

Dear Sir or Madam:

Pursuant to the Freedom of Information Act, 5 U.S.C. Section 552 *et seq* ("FOIA"), I request copies of (or access to) copies of written or electronic correspondence to the Office of the U.S. Trade Representative sent between Jan. 1, 2010, and the present, from the following members of the U.S. House of Representatives:

- John Boehner, Ohio
- Eric Cantor, Virginia
- Jeb Hensarling, Texas
- Paul Ryan, Wisconsin
- Spencer Bachus, Alabama
- Michele Bachman, Minnesota
- Dave Camp, Michigan
- Darrell Issa, California

I am a reporter for Bloomberg News, an accredited and recognized newsgathering organization. I request the Records to inform the public about matters of public concern.

FOIA requires that the your agency respond to this request within 20 business days. This request is segregable, and your agency may not withhold entire records because of one section that you believe is exempt from disclosure. Under federal law, if you choose to withhold any such parts of the records from disclosure, you must specify in a written response the factual and legal basis for withholding any part of the Records.

In responding to FOIA requests, the agency must operate with a presumption in favor of disclosure. As stated in a January 21, 2009 Presidential Memorandum: "All agencies should adopt a presumption in favor of disclosure, in order to renew their commitment to the principles embodied in FOIA, and to usher in a new era of open Government."

I agree to pay reasonable fees for the Records, including actual costs up to $250. If you estimate that actual costs will exceed this amount, please contact me so that I may make the appropriate arrangements for payment. Please contact me if I may assist in your office's response to this request.

Bloomberg
FINANCIAL MARKETS
COMMODITIES
NEWS

Sincerely,

Frank Bass
Bloomberg News
1399 New York Avenue, NW
Washington, DC 20006
202.654.4371
fbass1@bloomberg.net

cc: Stephanie Stoughton, Editor
Charles Glasser, Esq., Global Media Counsel

AMSTERDAM
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BOGOTA
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ZURICH

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

January 26, 2011

Mr. Frank Bass
Bloomberg News
1399 New York Avenue, N.W.
Washington, D.C. 20006

Dear Mr. Bass:

This letter is USTR's response to your Freedom of Information Act request for **"written or electronic correspondence to the Office of the U.S. Trade Representative sent between Jan. 1, 2010 and the present, from the following members of the U.S. House of Representatives: Jon Boehnner, Ohio; Eric Cantor, Virginia; Jeb Hensarling, Texas; Paul Ryan, Wisconsin; Spencer Bachus, Alabama; Michele Bachman, Minnesota; Dave Camp, Michigan; Darrell Issa, California."**

After a search of our files we have located twenty-one **(21)** documents within the scope of your request. Of those, we are releasing twenty-one **(21)** documents in full.

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, DC 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.

Mr. Frank Bass
Page 2

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

Sincerely yours,

Carmen Suro-Bredie

Carmen Suro-Bredie
Chief FOIA Officer

Case File# 10121758

Congress of the United States

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625

Washington, DC 20515-6348

http://waysandmeans.house.gov

January 20, 2010

#59527
A: Murphy
C: Stratford
Reif
Jimenez

The Honorable Ron Kirk
Ambassador
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador Kirk:

We are disturbed to learn of Taiwan's significant abrogation of our October 22, 2009 agreement governing the importation of beef and beef products from the United States into Taiwan ("the Protocol").

As your office noted in a December 29 statement, the Protocol is science-based, faithful to the guidelines of the World Organisation for Animal Health ("OIE"), and consistent with the requirements of the World Trade Organization ("WTO") Agreement on the Application of Sanitary and Phytosanitary Measures. We share your view that the recent actions by the Legislative Yuan banning the importation from the United States of ground beef and certain other offals and beef products and directing the Taiwanese Administration to ban entry of beef from cattle over 30 months are in direct contravention to these international guidelines and principles, as well as the Protocol. Indeed, Taiwan's own risk assessment has confirmed the safety of the newly banned imports.

The January 5, 2010 vote of the Legislative Yuan will not only have a significant effect on exports of U.S. beef and beef products to Taiwan, it has broader implications for U.S.-Taiwan trade relations. We understand that USTR intends to make use of the formal consultation mechanism in the Protocol and is exploring those that may exist within the WTO to ensure Taiwan's compliance with its international obligations. We support these efforts.

It is our understanding that USTR has suspended indefinitely any discussions under the Trade and Investment Framework Agreement ("TIFA") in place with Taiwan. We support your action in this regard as well. Furthermore, we request that you consult with us before you reconvene any TIFA-related discussions with Taiwan. At this time, we do not believe that the United States should move forward on these talks until Taiwan is once again compliant with its obligations under the Protocol.

Sincerely,

CHARLES B. RANGEL
Chairman
Committee on Ways and Means

DAVE CAMP
Ranking Member
Committee on Ways and Means

SANDER M. LEVIN
Chairman, Subcommittee on Trade
Committee on Ways and Means

KEVIN BRADY
Ranking Member, Subcommittee on Trade
Committee on Ways and Means

cc: Mr. Jason C. Yuan, Representative, Taipei Economic and Cultural Representative Office in the United States
The Honorable Demetrios J. Marantis, Ambassador, Deputy U.S. Trade Representative

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

February 22, 2010

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear ~~Representative Camp~~:

Thank you for your recent letter on Japan's Eco-friendly Vehicle Purchase Program (Japan's version of "cash-for-clunkers"). I share your concern on this matter, and my staff has been working to open opportunities for U.S. vehicles to qualify under Japan's program.

As you know, we are disappointed with Japan's announcement on February 3, which included only a limited number of U.S. autos models that qualify for its "cash-for-clunkers" program. Japan decided to use EPA "city" mileage ratings instead of EPA "combined city/highway" mileage ratings to determine eligibility. While Japan's announcement on January 19 to open opportunities for U.S. autos to qualify for its program had been a welcome step, this most recent development is particularly unfortunate. As such, we will continue to urge Japan to implement its "cash-for-clunkers" program in a manner that is transparent and as inclusive of U.S. autos as possible.

I look forward to continuing to work with you to both seek the maximum benefit for U.S. autos under Japan's "cash-for-clunkers" program and to address other barriers that impede access for U.S. autos in the Japanese market.

Sincerely,

Ambassador Ron Kirk

Congress of the United States
U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225–3625

Washington, DC 20515–6348

http://waysandmeans.house.gov

February 4, 2010

159590
A: Cutler
C: Reif
Jimenez

The Honorable Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk:

We share your disappointment with Japan's recent announcement limiting the number of U.S. auto models that qualify for its cash-for-clunkers program. The way this situation has unfolded is, in our view, a case study of the larger, more fundamental market access problems U.S. automakers experience in Japan.

As you know, Japan's original clunkers program effectively restricted U.S. participation, standing in stark contrast to the country-neutral U.S. program, an unfairness you raised with Japan last year. Our understanding at the time was that Japan said it was willing to modify the program to make U.S. vehicles that enter Japan's market through the Preferential Handling Procedure ("PHP") certification process eligible for the cash-for-clunkers program. Finally, on January 19, 2010, the Japanese government announced that it would accommodate certain U.S. vehicles. At the time, you said you were "evaluating the details of Japan's announcement," as were we. Yesterday, we learned that only eight U.S. PHP vehicles would be eligible for the program, because Japan based eligibility on an artificial measure of fuel efficiency. While we welcome the access these vehicles received yesterday under the program, we believe that it should have been greater and, further, that overall U.S. access to the Japanese market remains far more limited than it should be.

Over the years, we have been actively working to obtain market access opportunities for our automakers in Japan. In that long-running effort, this most recent episode has had a familiar feel to it. Just like in the past, the United States expended a massive amount of energy, only to receive a helpful, but all-too-modest result. More pointedly, Japan's decision to use the city fuel economy rate instead of the combined fuel economy rate that was the guidepost for eligibility in the U.S. clunkers program looks, to us, more like a new too-clever-by-half non-tariff barrier and less like bona fide opening of this market.

In many ways, this is emblematic of a far larger issue. The Japanese clunkers program is set to expire possibly as soon as March, and even if it is extended, we understand that Japan intends for the program to be temporary. But long after the clunkers program terminates, what will remain is an unsatisfactorily low level of U.S. sales into the Japanese market. In 2008, cars made outside of Japan amounted to fewer than five percent of the five million vehicles sold there – in fact, the lowest level among all industrialized countries. The damage that other barriers wreak overwhelms the comparatively small economic impact of the clunkers program.

We encourage you to continue your work to monitor and improve U.S. eligibility in the Japanese clunkers program, but we know you agree with us that this effort should not be to the exclusion of the even more important work of addressing the permanent, structural barriers that impede access for U.S. automakers in the Japanese market. We stand ready to assist you in any way possible.

Sincerely,

Dave Camp
Ranking Member

Kevin Brady
Ranking Member
Subcommittee on Trade

Congress of the United States
U.S. House of Representatives
COMMITTEE ON WAYS AND MEANS
1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625
Washington, DC 20515-6348
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February 4, 2010

159590
A. Cutler
C: Reif
Jimenez

The Honorable Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

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Sincerely,

Dave Camp
Ranking Member

Kevin Brady
Ranking Member
Subcommittee on Trade

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

February 2, 2010

The Honorable Dave Camp
137 Cannon HOB
Washington, D.C. 20515

Dear Ranking Member Camp:

Thank you for your letter regarding the actions Taiwan has taken in violation of the October 22, 2009 bilateral protocol governing the importation of beef and beef products from the United States. We appreciate your interest and support on this important bilateral trade issue. As you noted in your letter, the United States negotiated in a protocol with Taiwan that is science-based, and that is consistent with the guidelines of the World Organization for Animal Health (OIE), as well as with the risk assessment carried out by the Taiwan authorities, which determined that all U.S. beef and beef products are safe.

The action taken on January 5 by Taiwan's Legislative Yuan to ban the importation of ground beef and certain other offals and to direct the Taiwan authorities to ban imports of beef and beef products from cattle over 30 months are in direct violation of our bilateral protocol and inconsistent with the findings of Taiwan's own risk assessment. We are also very concerned about the problematic new administrative measures and inappropriate additional customs and inspection procedures that Taiwan has implemented. These measures are disrupting imports of U.S. beef and, if left uncorrected, will undermine the ability of U.S. producers to trade in the beef and beef products that remain eligible for importation into Taiwan following the Legislative Yuan's action.

We have made clear to the Taiwan authorities that it is Taiwan's responsibility to present a plan for how it will come into compliance with the bilateral protocol going forward. In addition, we are in the process of carrying out a careful and detailed legal analysis of Taiwan's actions.

We attach great importance to the U.S.-Taiwan trade and economic relationship, and it is not in the interest of either side to allow this extremely unfortunate situation to permanently impede our efforts to foster closer economic ties. However, in light of Taiwan's actions on beef, it is very important that Taiwan take meaningful action to restore its credibility as a responsible trading partner. These steps are critical to creating the environment for us to hold a positive and productive meeting of our bilateral Trade and Investment Framework Agreement (TIFA) Joint Council, and to move forward with an ambitious economic agenda with Taiwan.

Sincerely,

Ambassador Ron Kirk

Congress of the United States

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625

Washington, DC 20515-6348

http://waysandmeans.house.gov

January 20, 2010

The Honorable Ron Kirk
Ambassador
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador Kirk:

We are disturbed to learn of Taiwan's significant abrogation of our October 22, 2009 agreement governing the importation of beef and beef products from the United States into Taiwan ("the Protocol").

As your office noted in a December 29 statement, the Protocol is science-based, faithful to the guidelines of the World Organisation for Animal Health ("OIE"), and consistent with the requirements of the World Trade Organization ("WTO") Agreement on the Application of Sanitary and Phytosanitary Measures. We share your view that the recent actions by the Legislative Yuan banning the importation from the United States of ground beef and certain other offals and beef products and directing the Taiwanese Administration to ban entry of beef from cattle over 30 months are in direct contravention to these international guidelines and principles, as well as the Protocol. Indeed, Taiwan's own risk assessment has confirmed the safety of the newly banned imports.

The January 5, 2010 vote of the Legislative Yuan will not only have a significant effect on exports of U.S. beef and beef products to Taiwan, it has broader implications for U.S.-Taiwan trade relations. We understand that USTR intends to make use of the formal consultation mechanism in the Protocol and is exploring those that may exist within the WTO to ensure Taiwan's compliance with its international obligations. We support these efforts.

It is our understanding that USTR has suspended indefinitely any discussions under the Trade and Investment Framework Agreement ("TIFA") in place with Taiwan. We support your action in this regard as well. Furthermore, we request that you consult with us before you reconvene any TIFA-related discussions with Taiwan. At this time, we do not believe that the United States should move forward on these talks until Taiwan is once again compliant with its obligations under the Protocol.

Sincerely,

CHARLES B. RANGEL
Chairman
Committee on Ways and Means

DAVE CAMP
Ranking Member
Committee on Ways and Means

SANDER M. LEVIN
Chairman, Subcommittee on Trade
Committee on Ways and Means

KEVIN BRADY
Ranking Member, Subcommittee on Trade
Committee on Ways and Means

cc: Mr. Jason C. Yuan, Representative, Taipei Economic and Cultural Representative Office in the United States
The Honorable Demetrios J. Marantis, Ambassador, Deputy U.S. Trade Representative

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

April 29, 2010

The Honorable Jeb Hensarling
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Hensarling:

I am responding to your letter to Secretary LaHood and myself, co-signed by 55 of your colleagues, concerning the cross-border trucking issue. As you know, Mexico imposed duties on a wide range of U.S. exports after Congress passed legislation in March 2009 which required the termination of a demonstration program for cross-border trucking with Mexico.

Your letter notes the devastating impact Mexico's tariffs have had on a number of industries and farm sectors. Secretary LaHood and I have heard directly from a number of U.S. farmers and firms on the damage these duties inflict on competitive U.S. exports, and the jobs that have been put at risk at a time when exports should be leading us on the road to economic recovery.

As you know, H.R.3288, the "Consolidated Appropriations Act, 2010," included appropriations for the Department of Transportation and does not include the spending restrictions which had been contained in the March 2009 appropriations legislation. This prior legislation prohibited the use of appropriated funds for a cross-border motor carrier demonstration program with Mexico. Since H.R. 3288 was signed in December 2009, the United States now has the ability to work with the Congress and Mexico to develop a path for resolving our longstanding issues over cross-border transportation services. Such a resolution would contribute to the competitiveness of our economy and benefit our consumers. It would also, of course, result in Mexico ending its retaliation on U.S. goods.

The Obama Administration is committed to working with you and other members of Congress to resolve this dispute in a manner that is consistent with our international obligations and that ensures our roads are safe and that all drivers meet our qualifications.

I also want to explain this Administration's commitment to transparency. While statutory restrictions mandated by the Congress prohibited any work on a new demonstration program until recently, we have nonetheless consulted extensively. For example, USTR conducts monthly briefings through our formal private sector advisory system. The trucking issue has been discussed in nearly all of those briefings over the past year. In addition, we have met directly with firms and farmers that have been adversely impacted by the dispute. USTR and DOT have also met with Members of Congress on several occasions, and understand the diverse points of view that exist on this issue. Both I and USTR staff are of course available to meet with you and the other signatories of your letter as we move forward on this issue.

Sincerely,

Ron Kirk

Ambassador Ron Kirk

55 add'l co-signers will AP once cleared

Copy to L. Summers Dolan E.

Congress of the United

House of Representati

Washington, DC 2051

March 1, 2010

The Honorable Ray LaHood
Secretary of Transportation
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Ambassad
United Stat
600 17th St
Washingto

Dear Secretary LaHood and Ambassador Kirk:

We are writing to express our concern about the lack of action and transparency by the United States Trade Representative and the Department of Transportation to address tariffs imposed by Mexico on U.S. agricultural and manufacturing products in response to the removal of the cross-border trucking pilot program. These tariffs have had a devastating impact on our local industries and area economies. Therefore, given the importance of this matter to our constituents, we urge you to immediately implement a plan of action to rectify this situation.

As you know, Congress terminated funding for the cross-border trucking pilot program with Mexico in the FY2009 Omnibus Appropriations Act. The resulting retaliation from Mexico, including import duties on over 90 products, has left farmers and manufacturers scrambling. These goods have faced Mexican import tariffs between 10 and 45 percent for almost a year.

Over the past 11 months, Administration officials have repeatedly expressed confidence that a resolution to the current dispute could be found that would fulfill our obligations to Mexico under the North American Free Trade Agreement. President Obama expressed his commitment to resolving the issue to President Calderon during their meeting in Guadalajara, Mexico in August, 2009. However, to date, the Administration has not shared any of the principles or the parameters of a proposed plan. Finally, in the FY2010 Consolidated Appropriations Bill, Congress chose not to continue the funding limitation for the pilot program.

The current situation is unsustainable and untenable. Our constituents need help immediately and we implore you to work quickly to implement a solution that ensures safety and normalizes trade between the U.S. and Mexico. Please communicate your plans for a solution so that we are better able to understand the Administration's strategy to address this matter and resolve this situation permanently. Our constituents need to move forward.

Sincerely,

Dennis Cardoza

Rick Larsen

Mike Thompson	Jerry McNerney
Brian P. Bilbray	Henry Cuellar
Judy Biggert	Rubén Hinojosa
Robert E. Latta	Bobby Bright
Jeff Flake	Eric J.J. Massa
Joseph R. Pitts	Daniel E. Lungren
Aaron Schock	Melissa L. Bean
Earl Pomeroy	John T. Salazar

Doc Hastings

Jim Costa

Greg Walden

Michael K. Simpson

K. Michael Conaway

George Radanovich

Jim McDermott

Eddie Bernice Johnson

Devin Nunes

David G. Reichert

Sam Farr

Adam Smith

Wally Herger

Randy Neugebauer

Walt Minnick

Ron Kind

Jeb Hensarling

Peter Hoekstra

Stephanie Herseth Sandlin

Kevin Brady

Christopher John Lee

William L. Owens

Steven C. LaTourette

Larry Kissell

Kurt Schrader

Kevin McCarthy

Timothy J. Walz

James P. Moran

Mike Ross

Howard Coble

Jerry Moran

Mary Bono Mack

Gabrielle Giffords

Betsy Markey

Edward R. Royce

Thomas E. Petri

John Boozman

Ralph M. Hall

Cc:
Susan Kurland, Assistant Secretary for International Affairs and Aviation, Department of Transportation
Miriam Sapiro, Deputy Ambassador for Europe, Middle East and the Americas

10-015084

Congress of the United States
Washington, DC 20515

OS EXECUTIVE SECRETARIAT

2010 JUN -2 PM 12: 09

May 25, 2010

The Honorable Ronald Kirk
United States Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC 20508

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

Dear Ambassador Kirk and Secretary Locke:

We are writing on behalf of True Religion Brand Jeans, a very successful medium-sized clothing company located in the Los Angeles Metropolitan Area. True Religion is one of the few American companies that still manufactures textile products domestically and sources its raw materials primarily from the United States.

However, True Religion's business is in serious jeopardy because of massive counterfeiting of its products by Chinese companies. While IPR infringement within China is widespread, True Religion's situation is particularly troubling. True Religion has been put in a "Catch-22" situation by the Chinese government; while its products are being counterfeited in China at an alarming rate, the government has refused to take action against the perpetrators, claiming that the company must first have a Chinese registered trademark. Yet for the past five years, when True Religion has attempted to register a trademark, China has denied every application on the grounds that the company's logo, which incorporates an image of Buddha, is "detrimental to socialist morality or customs." Recently, True Religion attempted to register a trademark without this logo, but the government again claimed that the mere words, "True Religion," also had the same "detrimental" effect.

This is an untenable position for China to maintain, particularly as China has approved other trademarks requested by Chinese applicants that use religion-related words and images of Buddha, including a recent trademark for the Chinese translation of the words "True Religion."

China should not be allowed to deny the registration of a trademark on arbitrary grounds while at the same time use the absence of a registration as the basis for permitting wholesale counterfeiting of products. Rampant counterfeiting of True Religion's products by Chinese factories is costing the company by conservative estimates from $75 to $100 million in annual revenue and is putting over 2,500 California-based jobs at risk.

We understand that several of your officials met with the Chinese government recently to explore the possibility of reconsidering the government's rejection of the two True Religion trademarks. We applaud this effort, and urge you to continue to use every available resource to engage with the Chinese government in order to resolve this very troubling matter.

Sincerely,

LUCILLE ROYBAL-ALLARD
Member of Congress

GRACE NAPOLITANO
Member of Congress

JANE HARMAN
Member of Congress

LORETTA SANCHEZ
Member of Congress

LINDA SANCHEZ
Member of Congress

JERRY MCNERNEY
Member of Congress

BRAD SHERMAN
Member of Congress

ADAM B. SCHIFF
Member of Congress

MARY BONO MACK
Member of Congress

DARREL E. ISSA
Member of Congress

JUDY CHU
Member of Congress

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

June 23, 2010

The Honorable Paul Ryan
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Ryan:

President Obama asked me to respond to your letter of April 22, 2010, co-signed by three of your colleagues, concerning the trade dispute on cotton brought by Brazil to the World Trade Organization and the subsequent negotiations with Brazil concerning this dispute.

We appreciate your concerns regarding the possible implications of Brazil's imposition of countermeasures on goods and other sectors, such as intellectual property rights. Over the last two months, the United States has had extensive discussions with Brazil. As a result of that dialogue, Brazil did not proceed with countermeasures on U.S. trade that were originally scheduled to go into effect on April 7, 2010.

I am pleased that our teams have been able to make progress towards the goal of a negotiated settlement which would avoid the imposition of countermeasures against U.S. trade, including U.S. exports and intellectual property rights. However, you are correct in noting that the details for the cotton program are established by Congress as part of the Farm Bill. Congress also sets the key parameters for the GSM-102 Export Guarantee Program.

Thank you again for your input and the Administration will continue to work with Congress and other stakeholders as we move forward on this difficult issue.

Sincerely,

Ambassador Ron Kirk

1030679

Congress of the United States
Washington, DC 20515

159863
A: Murphy
C: Eissenstat
Reif
Jimenez

April 22, 2010

President Barack Obama
The White House
1600 Pennsylvania Ave NW
Washington, D.C. 20500

Dear President Obama:

With the World Trade Organization (WTO) Arbitrator's final ruling of the trade dispute brought by Brazil to the WTO late last year and the subsequent negotiations, the need to overhaul the U.S. cotton program is more apparent than ever. With the current fiscal environment and unprecedented nature of the cross-retaliatory threats to the intellectual property of U.S. companies, we are frustrated by the interim negotiated agreement between the United States and Brazil. The U.S. cotton program is a barrier to trade and economic growth and must be reformed. In light of this ruling, we urge you to take a strong stance in working to reform these egregious subsidies.

Since 2002, the U.S. cotton programs have been openly disputed by Brazil to the WTO. Congress had the opportunity to completely reform or repeal these programs during the reauthorization of the farm bill in 2007-2008, but it chose not to. Now, because of Congress' inability to reform the subsidy programs in the farm bill, a wide array of American businesses can be used as a lever against the U.S. in its authorized retaliation. In addition to traditional tariff measures, the retaliatory countermeasures authorized by the WTO included cross-retaliation such as the suspension of U.S. intellectual property rights. Brazil's threat against U.S. intellectual property would impede our efforts to open international markets and negatively impact products ranging from chemicals to music to software. If the precedent set in the Brazilian case practice spills over to other disputes, it could have a painful effect on American businesses.

This unprecedented attempt by the Brazilian government to subject about 102 American goods to stiff import tariffs is concerning. Though the U.S. Trade Administration and the U.S. Department of Agriculture were able to reach an agreement with the Brazilian government where Brazil would postpone these retaliatory measures, the agreement is only a temporary solution. Should we fail to effectively reform this program now, American businesses and workers will pay the price because we refused to write a law that complies with our international obligations. We cannot expect our trading partners to play by the rules if we are not willing to do the same.

From this ruling, it is clear that our agricultural subsidies are grossly outdated and are quickly becoming a liability for future trade growth. Instead of effectively reforming our programs, we are electing to pay $147.3 million annually to Brazilian agribusiness so that we can continue to pay around $3 billion a year to large U.S. agribusiness. This policy distorts the marketplace and is fiscally irresponsible. By the time we reform the cotton programs in 2012 farm bill, the U.S.

will have spent close to a half a billion dollars in "technical assistance" to Brazilian agribusiness. With the current fiscal environment, we need to focus on reforming our programs so that they responsibly use taxpayer dollars now.

We urge you to utilize all of your resources to reform the agricultural subsidy programs, and in particular, the cotton program. There are significant federal budget savings associated with eliminating or reforming the cotton program. For example, it is imperative to restructure the GSM-102 Export Credit Guarantee Program, which fails to cover its operating costs and effectively serves as an illegal export subsidy. While the U.S. agreed to make some near-term modifications to the program's operation, further reform is necessary to ensure the program is fiscally responsible and WTO compliant. Based on historical program costs, raising the fee structure of the GSM-102 program to fully offset operating costs could bring the program into WTO compliance and would contribute approximately $300 million per year in federal budget savings depending on annual participation and default rates.

In addition to setting premium rates high enough to cover the long-run GSM-102 program operating costs, adjustments are needed to bring price contingent cotton programs into compliance. The support prices (i.e. the loan rate and the target price) for the marketing loan program benefits and the counter-cyclical program payments are currently set too far above market prices. This has encouraged greater production and exports than the market demands, which has distorted the marketplace and lowered world market prices. Eliminating cotton subsidies wholesale or at least lowering cotton program price triggers to levels more reflective of market conditions would mitigate market distortions and could save an average of $1.8 billion per year in federal program costs at a minimum. Addressing changes such as these will help bring our nation into compliance with the WTO dispute settlement ruling as well as improve our fiscal, trade and agricultural policies.

We are eager to work closely with your administration to adjust the agricultural subsidy programs so that they will help rather than hinder international trade.

Sincerely,

Ron Kind
Member of Congress

Jeff Flake
Member of Congress

Barney Frank
Member of Congress

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July 27, 2010

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

The forest and paper industry is an important part of our nation's manufacturing base. As you may know, a petition has been filed with the International Trade Commission and Department of Commerce to investigate possible subsidies and dumping of certain paper products. While I believe it is critical that these investigations proceed unimpeded by politics, I also believe the Administration and Congress should work now to create new export opportunities in order to foster an even more vibrant manufacturing base.

Specifically, I encourage you to act on your commitment to move the three pending trade agreements with Colombia, Panama, and South Korea – trade agreements that stand to benefit the paper industry in Ohio and across the country. As you have said, passage of the pending agreements will increase trade, which is a step towards your stated goal of doubling our exports in five years. You have often noted that increasing our exports by 1% will create more than 250,000 jobs. Independent reviews by the International Trade Commission estimate that implementing pending trade agreements with Colombia, Panama and South Korea will increase U.S. exports by more than one percent. As I mentioned, the paper industry in Ohio, and across the country, stands to benefit tremendously from passage of the pending trade agreements. Between 2005 and 2007, the U.S. exported $725 million worth of paper and paper products to South Korea. Upon implementation of the agreement, 100% of duties will be eliminated immediately. In 2007, the U.S. paper industry exported $234 million worth of products to Colombia and $72 million to Panama in 2006. Most tariffs will be eliminated immediately upon implementation of these agreements, with remaining tariffs being phased out over a period of ten years or less.

Ohio's paper industry and scores of other manufactures across the country stand to benefit greatly by the adoption of the pending trade agreements. Opening doors to overseas markets creates jobs and new opportunities without costing the taxpayers. I urge you to act on these agreements.

Mr. President, as you know, nearly 1 in 10 Americans today is unemployed. In my district, Ohio's Eighth Congressional District, families continue to struggle with a jobless rate that is nearly a full point higher than the national average. As I listen to the small business owners who are essential to getting our economy moving again and creating new jobs, I hear concerns about new taxes, mandates and obstacles that are filling them with uncertainty and keeping them from hiring, investing, and leveraging their hard work and innovation to take advantage of new opportunities at home and abroad.

I appreciate your attention to this issue, and I look forward to working with you to address the tough issues that face our country's economy.

Sincerely,

John A. Boehner
Member of Congress