

December 12, 2007

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

The Honorable Carlos Gutierrez
Secretary of Commerce
U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Ambassador Schwab and Secretary Gutierrez:

As representatives of major portions of the U.S. farm, manufacturing and service sectors of the U.S. economy, we are writing to express our strong opposition to the first draft of the WTO Rules text on antidumping that was released in Geneva on November 30th. This draft represents a major step backward from the current WTO framework on antidumping and, if put into place, would result in the increased abuse of trade-remedy rules as unfair barriers to trade, rendering virtually meaningless the new market access you are seeking to negotiate in agriculture, manufacturing and services.

Our farmers and companies are active participants in the global marketplace and strong supporters of an ambitious market-opening Doha package across all key sectors. Unfortunately, many of us have seen first hand the trade-distorting effects that abusive trade-remedy actions have had on U.S. exports to other markets and our imports into the U.S. market of essential inputs. Many of us have sought and expected the Rules text to include improvements and clarifications that would restore balance and fairness to the trade-remedy rules and prevent the abusive use of these rules.

The first draft of the Rules text does not meet these objectives and, in fact, makes several unnecessary changes to the antidumping rules, including on zeroing, causation, standing, and third-country dumping, that will increase the abusive use of these rules against U.S. exports and U.S. industries. While there was some positive movement, such as a hard sunset and some recognition of consumer interest, those modest changes fall far short and, if not further modified, will be of little, if any, use. Moreover, many changes needed to put these rules more in line with America's 21st Century needs to ensure its future competitiveness as an exporter and as a major participant in the global economy are missing. Notable among the key improvements the draft has ignored are improvements and clarifications on standing, scope, refiling of cases, calculation of antidumping margins based on normal business practice, including agricultural business cycles, government-to-government consultations, and participation for consuming industries.

The United States is no longer the primary user of antidumping rules, but rather one of its primary targets. Without robust improvements on Rules, the new market access you are negotiating in the Doha round will be negated as other countries erect new barriers to our farm products, our manufactured goods and our distribution and retail services through the unfair use of the trade-remedy rules that this text would allow. We are also very concerned that the regressive nature of this text poses a very substantial threat to the continuation, let alone completion, of the Doha round.

We urge the United States to reevaluate its position on the Rules negotiations and to seek the necessary and required clarifications and improvements in the Rules text that will benefit U.S. farmers, manufacturers, service providers, workers, U.S. consumers and the U.S. economy.

Respectfully,

American Apparel & Footwear Association
American Coalition for Fair Trade Rules
American Feed Industry Association, Inc.
American Meat Institute
American Soybean Association
Animal Health Institute
Cargill, Incorporated
Caterpillar Inc.
Corn Refiners Association
Deere & Company
Eastman Kodak Company
Emergency Committee for American Trade
Emerson
Ford Motor Company
The Home Depot
J.C. Penney Company, Inc.
Maritime Products International
National Association of Wheat Growers
National Cattlemen's Beef Association
National Chicken Council
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Retail Federation
National Sorghum Producers
National Turkey Federation
Nike
North American Export Grain Association
North American Millers' Association
Northwest Horticultural Council
Oregon Potato Commission
Pet Food Institute
Produce Marketing Association
Retail Industry Leaders Association
Target
Travel Goods Association
U.S.A. Rice Federation
U.S. Hides, Skin and Leather Association
Washington State Potato Commission