

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

July 30, 2009

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Thomas Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510

The Honorable Saxby Chambliss
Ranking Member
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510

Dear Chairmen Baucus and Harkin and Ranking Members Grassley and Chambliss:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, urges you to approve legislation to bring the United States into full compliance with the World Trade Organization (WTO) ruling in the dispute settlement case brought by Brazil (DS 267) regarding U.S. cotton subsidies.

All relevant WTO proceedings have been exhausted and resulted in findings against U.S. cotton subsidy programs. In other words, the WTO determined that the subsidies provided to U.S. cotton growers are inconsistent with obligations the United States has undertaken as a member of the WTO, and this decision is final.

On August 14, 2009, a WTO panel is expected to determine the amount (as much as \$4 billion dollars) and sectors of the countermeasures Brazil may employ as a result of the U.S. failure to comply with the WTO decision on the cotton subsidy case. Among the countermeasures being sought by Brazil is the suspension of intellectual property rights of U.S. companies. Clearly, if this measure is authorized, its implementation will hurt U.S. companies, resulting in job losses and slowing America's recovery at a moment of great economic stress.

In addition, the United States, as a founding member of the WTO, must lead by example and comply with its multilateral obligations. The United States benefits tremendously by participation in the rules-based international trading system, and we flaunt these rules at our peril. The United States has no credibility calling on other countries to meet their trade

obligations if we refuse to meet our own. The Chamber strongly urges you to work with your colleagues to pass legislation to bring U.S. cotton subsidies into compliance with WTO rules.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." and last name "Josten" being the most prominent parts.

R. Bruce Josten

Cc: The Members of the Committees on Finance and Agriculture, Nutrition, and Forestry