

January 28, 2010

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

Dear Ambassador Kirk:

On behalf of a broad coalition of U.S. businesses, workers, farmers and ranchers, we are writing to express our grave concerns regarding the World Trade Organization (WTO) cotton subsidy dispute between the United States and Brazil.

As you know, a WTO dispute settlement panel has authorized Brazil to impose retaliatory measures against imports from the United States, and these measures may include cross-retaliation against U.S. services and intellectual property. The Brazilian government is in the process of determining what form its retaliation may take. Based on preliminary information from the Brazilian government, these measures may include tariffs reaching as high as 100% on hundreds of U.S. products, threatening as much as \$1 billion in tariff retaliation on U.S. exports worth hundreds of millions of dollars and tens of thousands of American jobs.

We understand that Brazilian officials have indicated that they are open to alternative approaches. They have also indicated their hope that the U.S. government might offer a proposal to settle the dispute. We urge you to continue engaging the Brazilian government, and to act swiftly to present alternatives that could avert the imposition of WTO-sanctioned retaliation.

Once imposed, Brazil's retaliatory measures will lead directly to the loss of American jobs, income, and growth opportunities. In addition, it may prove extremely difficult to unravel the dispute and free U.S. workers, farmers, and companies from the burden of Brazilian retaliation, as we have seen in the case of Mexico's retaliation with regard to the U.S.-Mexico cross-border trucking dispute.

We are fully prepared to work with you to facilitate constructive dialogue and, hopefully, avoid harmful trade retaliation against U.S. workers, farmers, and companies.

Sincerely,

American Chamber of Commerce - Brazil
Brazil-U.S. Business Council
Council of the Americas
National Association of Manufacturers
U.S. Chamber of Commerce