

March 3, 2010

The President
The White House
Washington, DC 20500

Dear Mr. President:

We are writing to express our grave concern regarding the trade dispute relating to U.S. cotton subsidies that Brazil brought to the World Trade Organization (WTO) in 2002. As you know, the WTO has ruled in favor of Brazil and authorized retaliation against the United States. Unless action is taken quickly, Brazil has indicated it will impose tariffs reaching as high as 100 percent on hundreds of U.S. manufactured goods and agricultural products. In addition, Brazil has indicated it will suspend U.S. patents and other intellectual property rights as authorized by the WTO.

While Brazilian officials have expressed the hope that the U.S. government might offer a proposal to settle the dispute, they are scheduled to publish a detailed retaliation plan on March 8. They intend to execute this plan within weeks unless the U.S. government reaches an agreement with Brazil to forestall retaliation.

Brazil's retaliatory measures threaten nearly \$1 billion worth of U.S. exports and tens of thousands of American jobs. 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 believe that an aggressive U.S. effort to reach a negotiated solution can avert the threat of retaliation and preserve American jobs. We urge your administration to work with the Brazilian government to devise acceptable alternatives that will avert WTO-sanctioned retaliation. We are fully prepared to work with you to facilitate constructive dialogue and, hopefully, avoid a harmful trade action against U.S. workers, farmers, and companies.

Sincerely,



John Engler
President and CEO
National Association of Manufacturers



Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce

cc: The Honorable Ron Kirk – United States Trade Representative