

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, strongly supports a point of order expected to be offered by Rep. Lucas during consideration of H.R. 2112, the House Agriculture appropriations bill, which would strike provisions of the bill that would dismantle the temporary agreement between the United States and Brazil regarding their World Trade Organization (WTO) cotton case. The Chamber strongly supports the Lucas point of order, opposes any amendment that would dismantle the U.S.-Brazil temporary agreement, and urges the appropriate committee of jurisdiction, the House Committee on Agriculture, to address a permanent solution to this issue as part of the upcoming Farm Bill reauthorization.

Last year, Brazil and the United States reached a temporary agreement to avert trade retaliation by Brazil against the United States resulting from U.S. non-compliance with its WTO cotton-related obligations. Among the commitments the United States agreed to was the provision of temporary technical assistance and capacity building funds to Brazil until a definitive solution to the dispute could be reached in the context of the upcoming Farm Bill.

During Committee markup of H.R. 2112, an amendment by Rep. DeLauro was added to the bill that would undo the U.S.-Brazil temporary agreement. If these provisions become law, Brazil could immediately impose approximately \$1 billion in WTO-sanctioned trade retaliation against U.S. exports and intellectual property rights.

These sanctions would likely include tariffs against U.S. goods as high as 100% as well as the suspension of protection for U.S. copyrights and patents as authorized by the WTO. These actions could cause the ultimate loss of tens of thousands of American jobs and establish a dangerous precedent for future actions in the WTO.

Once again, the Chamber strongly supports the Lucas point of order, opposes any amendment that would dismantle for the U.S.-Brazil temporary agreement, and urges the House Committee on Agriculture to craft a permanent solution to this issue as part of the upcoming Farm Bill reauthorization.

Sincerely,



R. Bruce Josten