

June 30, 2008

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, D.C. 20510

Dear Leaders Reid and McConnell:

As representatives of the U.S. business community, we are writing to urge the Senate to reject proposals to reinstate the so-called Byrd Amendment (or Continued Dumping and Subsidy Offset Act (CDSOA)). Reinstating this provision would subject the United States' most competitive farm and manufactured goods exports to substantial retaliation in foreign markets and undermine the United States' ability to persuade other countries to enforce their international obligations.

The original CDSOA was enacted in 2000 and provides that antidumping and countervailing duties collected by the U.S. government not be deposited into the general treasury, but be distributed to individual companies and groups who supported the antidumping and countervailing duty actions in the first place. It was enacted in a process that completely bypassed the committees of jurisdiction in the House and Senate, such that the legislation never received Congressional review of its merit, consistency with international obligations, or, as found by the General Accounting Office, any systematic verification requirements to ensure that it would be administered appropriately.

After its enactment, CDSOA was found by neutral World Trade Organization (WTO) panels to violate U.S. international obligations. Eleven countries were authorized to retaliate against U.S. exports and some very harmful penalty tariffs were imposed on U.S. exports. The House and Senate repealed this legislation in 2005. If Congress reinstates this legislation, it would essentially be inviting substantial and highly punitive retaliation against America's most competitive farm and manufacturing exports, at a time when exports are vital to the U.S. economy.

Reinstatement of this provision would also severely undercut U.S. leadership in the global trading system and our own ability to enforce trade agreements. How can the United States successfully press other countries to conform their laws and their practices to WTO and other international obligations if the United States reinstates laws clearly found to be violative of its own obligations? It cannot.

For all these reasons, we strongly urge you and your colleagues in the Senate to reject proposals to reinstate the Byrd Amendment.

Respectfully,

American Apparel & Footwear Association (AAFA)

American Frozen Food Institute

Automotive Trade Policy Council (ATPC)

Business Roundtable

Commodity Markets Council
Consuming Industries Trade Action Coalition (CITAC)
Corn Refiners Association (CRA)
Emergency Committee for American Trade (ECAT)
Grocery Manufacturers Association (GMA)
National Association of Manufacturers (NAM)
National Cattlemen's Beef Association (NCBA)
National Council of Chain Restaurants
National Fisheries Institute (NFI)
National Foreign Trade Council (NFTC)
National Pork Producers Council (NPPC)
National Restaurant Association
National Retail Federation (NRF)
North American Equipment Dealers Association
North American Export Grain Association (NAEGA)
Northwest Horticultural Council
Outdoor Industry Association
Retail Industry Leaders Association (RILA)
Travel Goods Association (TGA)
United Egg Association
USA Poultry & Egg Export Council
U.S. Association of Importers of Textiles and Apparel (USA-ITA)
U.S. Chamber of Commerce