

September 24, 2008

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
H-232, U.S. Capitol  
Washington, D.C. 20515

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

The Honorable John Boehner  
Republican Leader  
House of Representatives  
H-204, U.S. Capitol  
Washington, D.C. 20515

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

Dear Speaker Pelosi, and Leaders Reid, Boehner, and McConnell:

*As the U.S. Congress seeks to complete legislative business this session, we are writing as representatives of U.S. agriculture and business to urge Congress to firmly reject any attempts to reinstate any provisions of the so-called “Byrd Amendment,” formally known as the Continued Dumping and Subsidy Offset Act (CDSOA). We are concerned that this legislation could be added to a “must-pass” bill in the closing days of Congressional business.*

We strongly oppose CDSOA, and the facts support our position. For example, CDSOA: (1) has been ruled unconstitutional by U.S. courts; (2) benefits those few U.S. companies that receive CDSOA money without regard to how they use those funds or whether they are creating jobs, while undermining the competitiveness of many more U.S. companies and industries; and (3) has been found to violate U.S. international commitments in the World Trade Organization, prompting many of our largest trading partners to impose substantial retaliation against U.S. exports. In fact, Congress’ own Government Accountability Office (GAO) issued a report in September 2005 that criticized the Byrd Amendment, finding that the vast majority of the CDSOA payments went to a few of companies without any controls or oversight. For these reasons, Congress repealed the Byrd Amendment in December 2005.

Reinstating the provision would prompt those countries to increase sanctions against our most competitive manufactured and agricultural goods exports at a time when exports are vital to the U.S. economy. In the difficult current economic climate, U.S. exports are about the only bright spot of economic growth, accounting for about 50 percent of economic growth in the last year. Instituting new legislation that invites retaliation against U.S. exports would be, at a minimum, counterproductive.

The original CDSOA was enacted in 2000 and provides that antidumping and countervailing duties collected by the U.S. government be diverted from the general treasury to be distributed to individual companies and groups who supported the antidumping and countervailing duty actions. It was enacted in a process that completely

bypassed the committees of jurisdiction in the House and Senate, so that Congress never reviewed its implications, considered its consistency with international obligations, or, as documented in the GAO report, established any systematic verification requirements to ensure that it would be administered appropriately.

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 Congress to reject any efforts to reinstate the Byrd Amendment.

Respectfully,

American Apparel & Footwear Association (AAFA)  
American Farm Bureau Federation (AFBF)  
American Feed Industry Association (AFIA)  
American Frozen Food Institute (AFFI)  
American Institute for International Steel (AIIS)  
American Seafood Group  
American Signature Furniture  
The Association of Equipment Manufacturers (AEM)  
Automotive Trade Policy Council (ATPC)  
Blount Fine Foods  
Business Roundtable  
Cargill, Incorporated  
Caterpillar Inc.  
Censea, Inc.  
Charming Shoppes, Inc.  
Consuming Industries Trade Action Coalition (CITAC)  
Corn Refiners Association (CRA)  
Crate and Barrel  
CSI Restaurant Partners, Inc.  
Darden Restaurants  
Deere & Company  
Distilled Spirits Council of the United States (DISCUS)  
Eastman Kodak Company  
Emergency Committee for American Trade (ECAT)  
F.W. Bryce, Inc.  
Gap Inc.  
General Electric (GE)  
Grocery Manufacturers Association (GMA)  
Handy International Inc.  
High Liner Foods (USA), Inc.

The Home Depot  
Industrial Truck Association (ITA)  
International Sleep Products Association (ISPA)  
JCPenney Company, Inc.  
Koyo Corporation of U.S.A.  
Limson Trading, Inc.  
Los Angeles Cold Storage  
Lowe's Companies, Inc.  
Macy's, Inc.  
Marine Management Insurance Brokers, Inc. (MMIB)  
Maritime Products International  
Mazzetta Company, LLC  
The McGraw-Hill Companies  
Meridian Products  
Michaels Stores, Inc.  
Mirasco International Food Merchants  
National Association of Home Builders (NAHB)  
National Association of Manufacturers (NAM)  
National Cattlemen's Beef Association (NCBA)  
National Council of Chain Restaurants (NCCR)  
National Customs Brokers and Forwarders Association of America (NCBFAA)  
National Fisheries Institute (NFI)  
National Foreign Trade Council (NFTC)  
National Grain and Feed Association (NGFA)  
National Grange of the Order of Patrons of Husbandry  
National Lumber and Building Material Dealers Association (NLBMDA)  
National Milk Producers Federation (NMPF)  
National Oilseed Processors Association (NOPA)  
The National Pork Producers Council (NPPC)  
National Restaurant Association  
National Retail Federation (NRF)  
The Neiman Marcus Group, Inc.  
Neptune Foods  
Newport International  
North American Equipment Dealers Association (NAEDA)  
The North American Export Grain Association (NAEGA)  
Northeast Equipment Dealers Association, Inc. (NEDA)  
Northwest Horticultural Council (NHC)  
NSK Corporation  
Odyssey Corporation  
Outdoor Industry Association (OIA)  
Pacific American Fish Company, Inc. (PAFCO)  
Pacific Seafood  
Phillips Foods, Inc.  
Precision Machined Products Association (PMPA)  
Precision Metalforming Association (PMA)

The Procter & Gamble Company  
Red Chamber Co.  
Retail Industry Leaders Association (RILA)  
Sea Port  
Seattle Fish Company  
Singleton Fisheries  
SKF USA Inc.  
Skyway Luggage Company  
Slade Gorton & Co., Inc.  
SouthWestern Association – Kansas City, MO  
Tampa Bay Fisheries  
Target Corporation  
Travel Goods Association (TGA)  
U.S. Association of Importers of Textiles and Apparel (USA-ITA)  
U.S. Chamber of Commerce  
U.S. Dairy Export Council (USDEC)  
USA Poultry & Egg Export Council (USAPEEC)  
Wal-Mart Stores, Inc.