

~United States Congress~

For Immediate Release
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BAUCUS, RANGEL CONDEMN WTO RULINGS ON TRADE REMEDIES

Chairmen of congressional trade committees call for additional consultation

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and House Ways and Means Committee Chairman Charles Rangel (D-N.Y.) are criticizing recent rulings of the World Trade Organization that restrict the ability of U.S. agencies to apply trade remedy law. In a letter to Commerce Secretary Carlos Gutierrez and U.S. Trade Representative Susan Schwab, Baucus and Rangel requested that the administration postpone implementation of these questionable WTO rulings until Congress has adequate time to consider the issue and consult with the administration. The WTO rulings involve a practice known as “zeroing,” which the Commerce Department has employed to determine whether a foreign product has been dumped into the U.S. market.

“These rulings are not based on the text of the WTO agreements to which the United States agreed,” said Baucus. **“We have trade remedies to safeguard American jobs from unfair imports, and Congress needs time to make sure that these rulings do not weaken America’s hand on trade.”**

“We should not rush to judgment on an issue that could hurt American workers, farmers and businesses,” said Rangel. **“The WTO framework provides ample time to bring this issue through Committee and we should do just that to ensure that Congress is a partner in shaping the nation’s trade policy.”**

The text of the Chairmen’s letter follows here:

January 19, 2007

The Honorable Carlos M. Gutierrez
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Ave, N.W.
Washington, D.C. 20230

The Honorable Susan C. Schwab
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Secretary Gutierrez and Ambassador Schwab:

The Department of Commerce is considering whether to modify its calculation of weighted average dumping margins in investigations to implement the rulings of recent World Trade Organization dispute, known as *United States – Laws, Regulations and Methodology for Calculating Dumping Margins*. We are writing to request that you postpone your decision to March 31, 2007, to give the members of our Committees time to consider the issue.

Section 123(g) of the Uruguay Round Agreements Act provides that a regulation or practice of a department or agency of the United States may not be modified to implement a WTO ruling before a 60-day consultation period with appropriate congressional committees. During that 60-day period, the Committee on Ways and Means and the Committee on Finance may vote to indicate the agreement or disagreement with the proposed contents of the final modification.

We appreciate that U.S. Trade Representative and the Department of Commerce began consultations with the relevant congressional committees in mid-November 2006. Under this timeframe, section 123(b) would afford the relevant Committees until the middle of January to consider the proposed modification.

This 60-day period, however, was not adequate to permit thorough congressional consideration. As you recall, the 109th Congress was in session for only one week between November 20 and December 8. More importantly, most of the 60-day period covers the 109th Congress, rather than the 110th Congress, which will consider whether to vote on the proposed modification. The 110th Congress has been focused for January on organizing itself and adopting its own internal committee and legislative rules. In other words, there will be very little time under the current deadline in which to educate our Members about the fairly complex issue of “zeroing”.

In addition, the dispute giving rise to this proposed modification is extraordinary. The administration itself has called into question the validity of the Appellate Body’s decision that forms of the basis of your proposed modification. It circulated the following written statement on May 17, 2006:

It is troubling that even supporters of the outcome in this dispute thus perceive that it did not result from the negotiated text of the agreement, nor could it be expected to result from subsequent negotiation among the Members. The perception that the dispute settlement system is operating so as to add to or diminish rights and obligations actually agreed to by Members . . . is highly corrosive to the credibility [of the WTO dispute settlement system].

We agree with this assessment and are highly concerned that the Appellate Body decision at issue involves an attempt to impose unilaterally obligations on a WTO Member – in this case, the United States – without its prior consent. At a minimum, this circumstance requires the ability of the Members of this Committee to consider and evaluate the best approach.

For these reasons, we request that you postpone your decision to March 31, 2007, to give the members of our Committees time to consider this issue. As you know, the “reasonable period of time” for implementation under WTO procedures does not expire until April 9, 2007.

We look forward to your response and to working with you to address this extraordinary issue.

Sincerely,

Max Baucus
Chairman
Committee on Finance

Charles B. Rangel
Chairman
Committee on Ways and
Means

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