

Congress of the United States
Washington, DC 20515

November 13, 2013

The Honorable Michael Froman
United States Trade Representative
Office of the United States Trade Representative
17th St, N.W.
Washington, D.C. 20508

Dear Ambassador Froman:

As strong supporters of a multilateral trading system in which an effective World Trade Organization plays a key role, we applaud your efforts to reinvigorate the WTO as a negotiating forum and to move past the stalemate of the Doha round.

In particular, we believe that a commercially significant expansion of the Information Technology Agreement (ITA) and an ambitious trade facilitation agreement are two separate opportunities with enormous potential to increase U.S. exports and U.S. jobs. We urge you to obtain robust agreements in each of these areas as soon as possible, and we stand ready to work with you to accomplish this goal.

First, we appreciate the work your team has done on the ambitious initiative to expand product coverage of the ITA. Through tariff elimination on information technology products, the ITA has helped to increase jobs, spur growth, drive innovation, lower consumer prices, and connect communities around the world. If done successfully, ITA expansion can increase U.S. exports of technology products, expand global GDP, and support the creation of American jobs.

We are encouraged by the recent progress in the ITA negotiations, but remain concerned that significant work remains to reach a meaningful result within a very limited period of time. Countries such as China must increase their ambition by, for example, significantly reducing the number of products they seek to exclude from coverage of the expanded ITA, and committing to shorter tariff phaseout periods for sensitive products included in the final deal. Any final agreement should also include important products that are priorities of U.S. information technology exporters, such as next-generation semiconductors, high tech instruments, and medical devices. High-level engagement from our negotiating partners and strong political commitment will be critical to the success of the negotiations and we stand ready to assist you in these efforts.

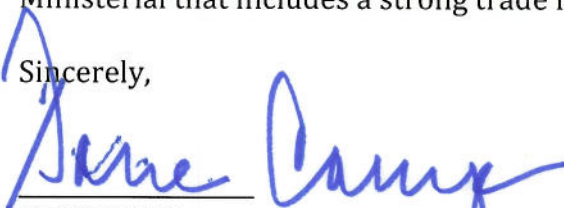
A robust Bali Ministerial package is a second, distinct opportunity for significant trade liberalization. We believe that an ambitious trade facilitation agreement is essential to any Bali package and that the entire package must reflect U.S. interests and priorities.


A bold trade facilitation agreement has enormous potential benefit for all countries, and would particularly benefit developing countries. The OECD estimates that such an agreement could reduce trade costs by 10% in advanced economies and up to 15.5% in developing countries, which would translate into hundreds of billions of dollars in global savings, with the bulk accruing to developing countries. The global development community has recognized these benefits, and multilateral institutions stand ready to provide financial and technical support to assist in implementation. We urge you to conclude a robust and enforceable trade facilitation agreement as the cornerstone of a Bali package.


We understand that WTO Members are also discussing a variety of agriculture proposals for inclusion in a Bali Ministerial package. We are wary of efforts in certain recent proposals to roll back existing rules or weaken existing commitments. Those rules and commitments protect well-functioning agricultural markets, which benefit developing, food-importing countries as well as U.S. agricultural producers. Any outcome in this area must include safeguards to limit the duration of any so-called "peace clause" regarding WTO-inconsistent practices, significantly improve the transparency of existing programs, and ensure that no commercial distortion occurs as a result of these programs. Any violation of these safeguards should automatically invalidate the restraints that are being discussed.

We stand ready to work with you as you seek new opportunities for multilateral trade liberalization through the WTO by concluding the expanded Information Technology Agreement and also by finalizing a package of commitments for the Bali Ministerial that includes a strong trade facilitation agreement.

Sincerely,


DAVE CAMP
Chairman
House Committee on Ways and Means


MAX BAUCUS
Chairman
Senate Committee on Finance


SANDER M. LEVIN
Ranking Member
House Committee on Ways and Means


ORRIN G. HATCH
Ranking Member
Senate Committee on Finance