

Congress of the United States
Washington, DC 20515

September 8, 2016

Director-General Roberto Azevedo
World Trade Organization
Centre William Rappard
Rue de Lausanne 154
CH-1211 Geneva 21
Switzerland

Dear Director-General Azevedo:

We are deeply disappointed that the Secretariat of the WTO has once again issued a report that expresses concern *not* with dumping, *not* with trade-distorting subsidies, and *not* with unsafe imported foods, but instead expresses concern with measures taken to address those very real problems. Specifically, in its most recent report on G20 Trade Measures, the Secretariat staff implicitly criticizes such “trade-restrictive measures” as protectionist, concluding that the “G20 economies must lead by example in the fight against protectionism by rejecting new trade-restrictive measures and rolling back existing ones.” By making such statements, the WTO Secretariat threatens to undermine WTO Member and public support for the WTO and the current rules-based global trading system.

The WTO agreements provide WTO Members with the express right to impose antidumping and countervailing duties when products are being dumped or illegally subsidized. And for good reason: dumping and subsidies, which still occur rampantly today, distort world markets and harm many producers that play by the WTO’s rules. By broadly criticizing WTO Members for adopting antidumping and countervailing duties, the WTO Secretariat is contradicting the provisions in agreements under its own purview. Given that the WTO Member governments have agreed that dumping “is to be condemned” through antidumping measures, the WTO Secretariat’s criticism of those measures is particularly disturbing.

Similarly, the WTO Agreement on Sanitary and Phytosanitary Measures expressly provides that no WTO Member should be prevented from adopting or enforcing legitimate measures necessary to protect human, animal or plant life or health. Nevertheless, these kinds of measures are the subject of criticism by the WTO Secretariat in its recent report.

The WTO Secretariat appears to view its role as facilitating more and more trade or to supporting trade for its own sake. But, for the WTO to continue to play the central role it needs to play in the world trading system, it needs to focus on ensuring the *quality* of trade, not its quantity. And, above all, the Secretariat and other administrative bodies must not attempt to add to or diminish the rights and obligations that the WTO Member governments have agreed to, including by criticizing measures that are fully consistent with the WTO agreements.

We recognize that, since the international financial crisis several years ago, the members of the G20 have stated that they will “resist all forms of protectionism” (a term they do not define), and have asked the WTO Secretariat to monitor and report on G20 adherence to their undertakings on resisting trade protectionism. But there is no reason to believe that the G20 members were committing themselves to resist taking measures to ensure the safety of imported food, or measures to address unfair trade practices when they made that commitment. And we are not aware of any expert who has suggested that measures to address dumping or trade-distorting subsidies, or food safety measures, contributed to the international financial crisis that prompted the G20 to make these commitments on protectionism. On the other hand, a number of experts *have* suggested that unfair trade practices, such as currency manipulation, did contribute significantly to that crisis.

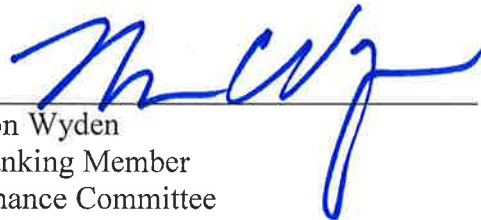
In fact, there is nothing remotely approaching a universally accepted definition of “protectionism,” but no one would consider any measure that reduces trade flows to be, categorically, protectionist. In our view, legitimate regulatory measures – such as restrictions on unsafe food imports – are not “protectionist” and neither are antidumping and countervailing duties that have been implemented in accordance with the WTO’s rules. Moreover, government measures that artificially boost exports can be just as troubling – and can “protect” a domestic industry just as much – as measures that artificially and unjustifiably restrict trade.

For these reasons, we strongly urge the WTO to reconsider how it monitors and reports on G20 adherence to the undertakings on resisting trade protectionism.

Sincerely,



Sander M. Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives



Ron Wyden
Ranking Member
Finance Committee
U.S. Senate