



Congress of the United States

House of Representatives

Washington, DC 20515

August 1, 2007

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

Dear Ambassador Schwab,

As members of Congress who support continued international trade opportunities for the U.S. information technology sector, we write to urge the Administration to use all tools at its disposal to address the European Commission's (EC) actions designed to undermine the WTO Information Technology Agreement (ITA).

This letter follows a previous March 29th letter regarding the "National Trade Estimate" report, in which members urged the Administration to act against trade barriers that harm U.S. interests, including the EC's ITA violations. Significant action on the ITA has yet to be seen, and the EC continues subjecting products covered by the ITA to duties.

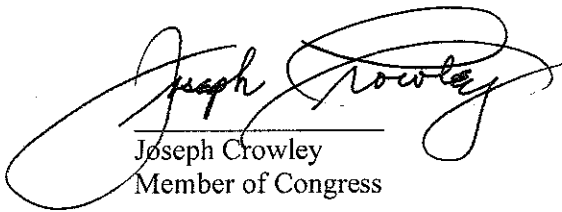
The EC's actions are contrary to the spirit and letter of the ITA and contravenes the EC's international trade obligations. Temporary duty suspensions, even if provided by the EC, do not cure these infirmities. The EC's rationale that technological advances in covered products justifies its actions is particularly troubling as it would, by definition, subject almost any IT product to dutiable treatment and inevitably lead to the total erosion of the ITA.

As you know, the ITA is an important market-opening agreement covering 97% of world trade in IT products. Adopted by 69 countries, the ITA has promoted innovation and investment in the U.S., developed and developing countries, increased business efficiencies, reduced the cost of technology for consumers, and created millions of jobs over its ten years. These gains will be lost if the next generation of ITA covered products do not enjoy the same, predictable duty-free treatment. This is of particular concern as the U.S. information technology industry leads the world in cutting-edge innovation, and drives much of our nation's economic growth and competitiveness.

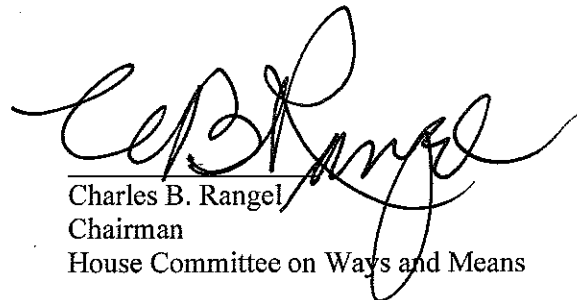
If allowed to persist, the EC's actions will not only erode the ITA's gains, but also confidence in the sanctity of trade agreements. As the Congress may be asked to approve trade agreements now under negotiation, it is critical the American people believe that our negotiating partners will abide by their undertakings and, when as here they do not, understand that the United States will enforce its rights vigorously under those agreements. We, and other ITA signatories, made meaningful concessions to conclude the ITA in 1996; the EC cannot be permitted to enjoy its benefits, while depriving others of equal treatment.

Please advise us of your progress resolving this matter, and how we might assist you to ensure that the interests of the American high-tech industry and its workers are protected.

Sincerely



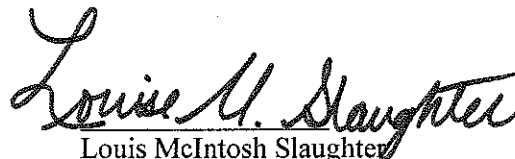
Joseph Crowley
Member of Congress




Charles B. Rangel
Chairman
House Committee on Ways and Means



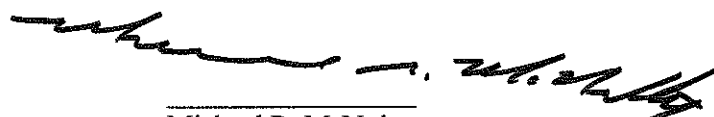
Sander Levin
Trade Subcommittee Chairman
House Committee on Ways and Means



Louis McIntosh Slaughter
Member of Congress



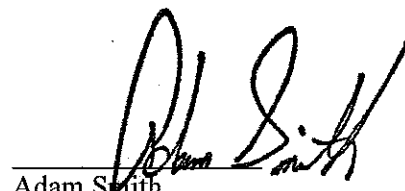
James P. McGovern
Member of Congress




Michael R. McNulty
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James P. Moran
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Adam Smith
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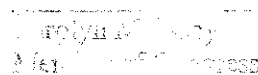
Jay Inslee
Member of Congress



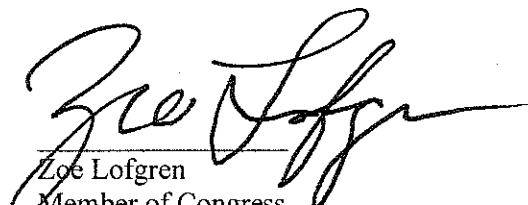
Earl Blumenauer
Member of Congress



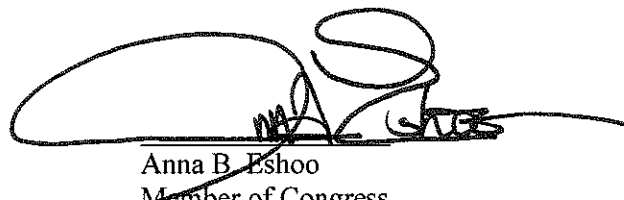
Mike Thompson
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Maryland
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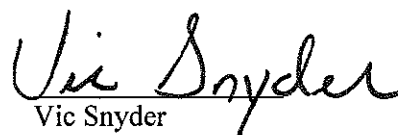
Zoe Lofgren
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Anna B. Eshoo
Member of Congress

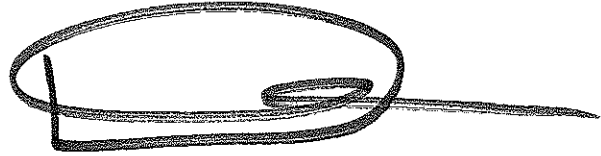



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cc: The Honorable Peter Mandelson