

# Congress of the United States

Washington, DC 20515

April 10, 2003

The Honorable Robert B. Zoellick  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Dear Ambassador Zoellick:

We are writing to you regarding efforts of the United States to comply with the World Trade Organization (WTO) ruling dealing with the Extraterritorial Income Exclusion (ETI) rules adopted by the United States in 2000. We support the commitment of the President and the Administration to comply with the WTO ruling. Nevertheless, we are very concerned about the manner in which compliance to the current WTO decision is achieved.

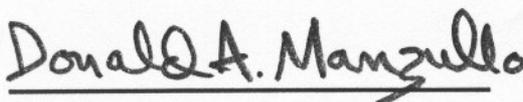
We believe that any legislative solution to the current WTO dispute should embody the following principles. First, the central focus of any bill should be to address the WTO decision. Extraneous and divisive issues not addressing the question of compliance should not be a part of the bill. Second, any legislative solution should provide appropriate transition relief. *Third, and most importantly, every penny of the cost of repeal of the ETI rules should redound to the benefit of domestic manufacturers. The converse is also true, and we hope that you would oppose any proposal that might have the effect of encouraging employers to move overseas.*

According to a recent PriceWaterhouseCoopers study, roughly 3.5 million jobs are attributable to exports that benefit from ETI. As you well know, repeal of the ETI rules, taken alone, represents a tax increase of over \$50 billion over the next ten years on our nation's manufacturing base. This includes not just large companies but many small and medium-sized manufacturers who directly benefit from ETI and thousands more who indirectly benefit as suppliers to larger firms. The United States has already lost approximately two million manufacturing jobs in the last two years. Our country cannot afford to lose any more of these vital jobs, especially as we are engaged in military conflicts overseas.

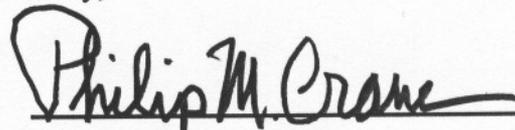
As you continue to work this year with Congress and the European Community to bring the United States into compliance with the WTO ruling on ETI, we would respectfully ask that you carefully consider all legislative proposals that may be advanced and that you not commit prematurely to any particular approach. Most importantly, we ask that you give particular regard to those proposals that assist domestic manufacturers.

Thank you for your assistance in this vitally important issue. We, the undersigned Members of Congress are anxious to receive your reply.

Respectfully,



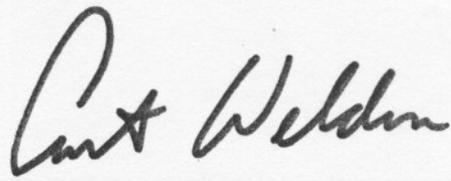
Hon. Donald A. Manzullo



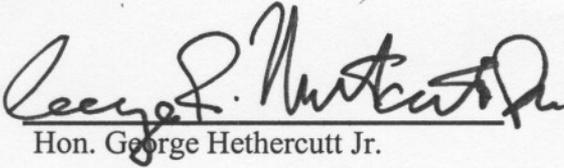
Hon. Philip M. Crane



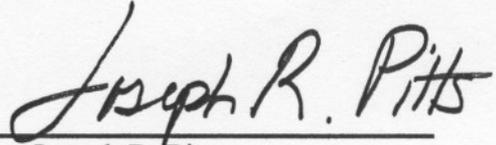
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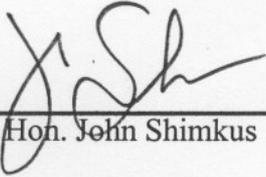
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Hon. George Hethercutt Jr.



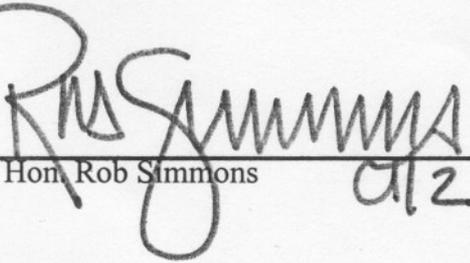
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Hon. John Shimkus

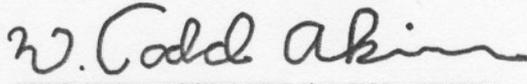


Hon. Fred Upton

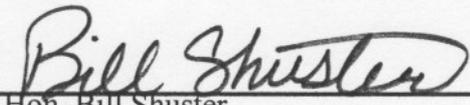


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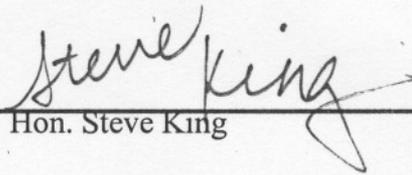
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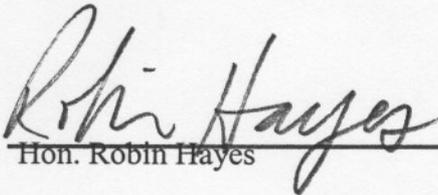
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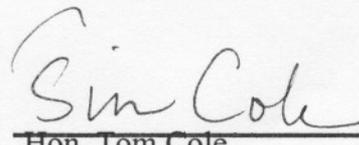
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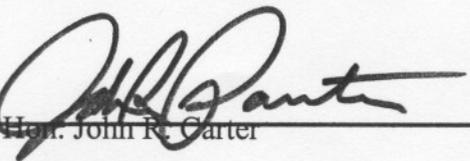
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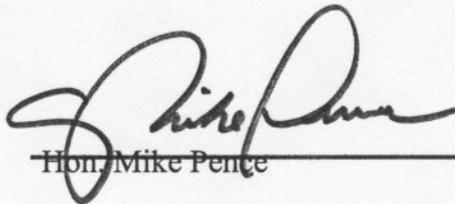
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Hon. Tom Cole



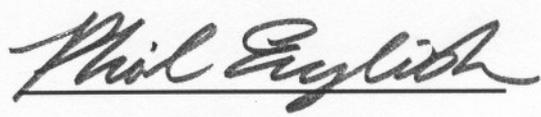
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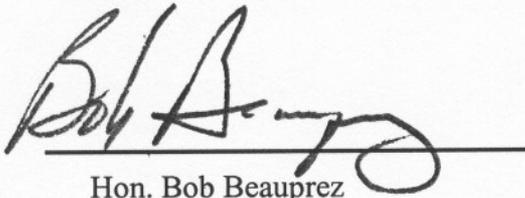
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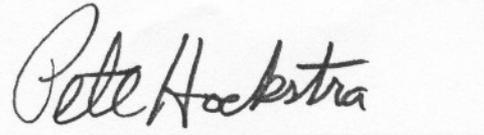
Hon. Dave Weldon



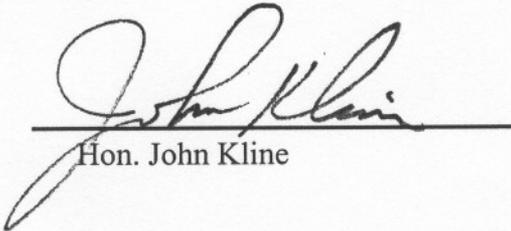
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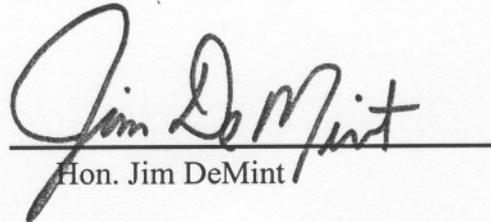
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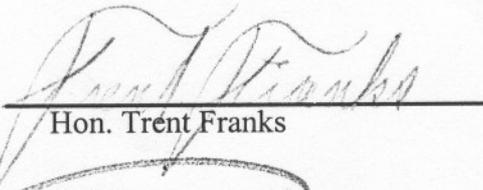
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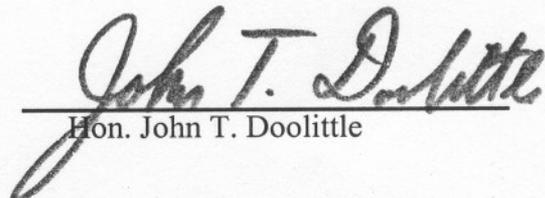
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Hon. Jim DeMint



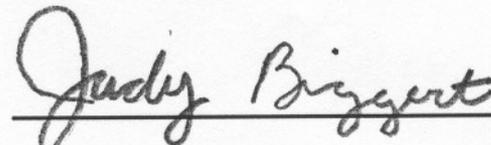
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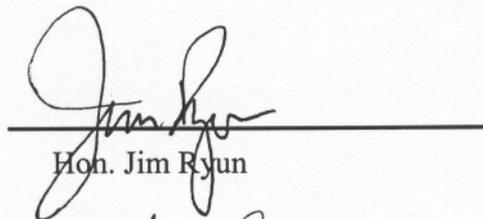
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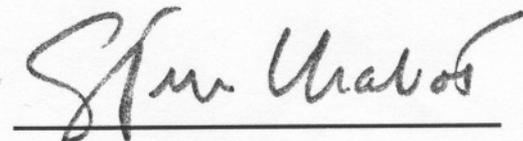
Hon. Roscoe Bartlett



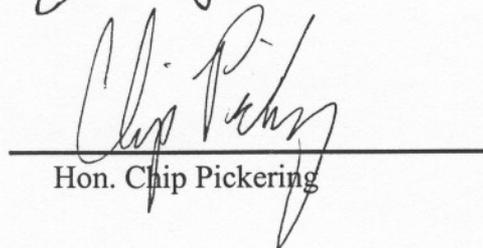
Hon. Judy Biggerst



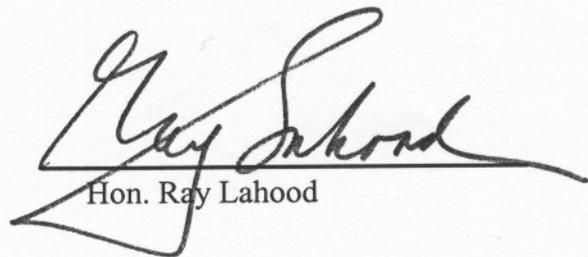
Hon. Jim Ryun



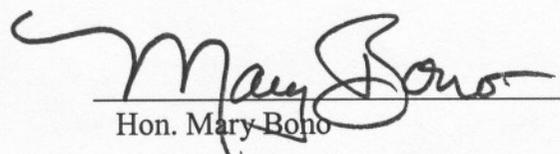
Hon. Steve Chabot



Hon. Chip Pickering



Hon. Ray Lahood

  
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Hon. Mary Bono

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Hon. Tom Feeney

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