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U.S. House of Representatives
Committee on Agriculture

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Washington, DC 20515-6001

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CHIEF COUNSEL

ROBERT L. LAREW,
MINORITY STAFF DIRECTOR

December 15, 2014

U.S. Secretary of Commerce Penny Pritzker
Department of Commerce
1401 Constitution Ave, NW
Washington, D.C. 20230

U.S. Trade Representative Michael Froman
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Secretary of Commerce Pritzker and U.S. Trade Representative Froman,

We are writing in regard to our serious concerns over the anti-dumping investigation self-initiated by Turkey's Ministry of Economy against United States cotton exports. First of all, we thank you for the actions taken to date by the U.S. government in response to this investigation, specifically the demarche that was recently issued through the U.S. Embassy in Turkey. We respectfully request that you continue this strong engagement by the U.S. government to prevent Turkey's actions from developing into more serious obstacles to the continued export of U.S. cotton.

We believe it is evident that this case is political retaliation against the U.S. and is not in response to any evidence of dumping of U.S. cotton exports, making this action a violation of World Trade Organization (WTO) rules governing anti-dumping investigations. We have noted that before the investigation began, Turkey's Minister of Economy, Nihat Zeybekci, made public statements, reported in Turkish media, that the Ministry would retaliate against U.S. trade measures by imposing three obstacles to U.S. exports for every one imposed by the United States to Turkish exports.

Such politically motivated action does not belong in the rules-based international trading system. While WTO rules permit the self-initiation of anti-dumping investigations when warranted by "special circumstances," retaliation can never constitute a legitimate special circumstance. In the self-initiation report, the Ministry of Economy did not cite any special circumstance that would justify self-initiation. In addition, the Ministry's self-initiation report contains a number of unsupported findings inconsistent with the evidentiary requirements for self-initiation imposed by WTO rules.

We are seriously concerned about the possibility of a provisional anti-dumping duty being imposed on U.S. cotton early in 2015, yet the U.S. exporters have just recently submitted to the Ministry the voluminous amounts of data requested in the questionnaires transmitted from the Ministry to U.S. exporters. According to WTO rules, the imposition of a provisional anti-dumping duty can only occur upon the issuance of a preliminary determination, which must rest on adequate evidence of dumping and injury to the domestic industry. We find it hard to see how the Ministry could realistically complete an analysis of the extensive data and, following WTO rules, have any legitimate basis to consider imposing a provisional duty at this early stage.

The demarche issued through the U.S. embassy to the Turkish government was an important and timely action to demonstrate that the U.S. government is actively engaged and closely following the actions of Turkey in this case relative to any WTO violations. In addition, we respectfully request that the U.S. Trade Representative and Department of Commerce coordinate a strong response from the U.S. government by seeking status for the U.S. government as an interested party to the investigation and clearly communicating to Turkish officials the U.S. government's intention to challenge the investigation in the WTO if violations occur – the imposition of a provisional duty without adequate evidence could be enough to challenge, by itself.

We value the importance of the relationship between Turkey and the United States but seek your help in ensuring that it continues to develop in accordance with existing WTO rules governing international trade.

Sincerely,



Frank D. Lucas
Chairman



Collin C. Peterson
Ranking Member

Congress of the United States
Washington, DC 20515

December 15, 2014

The Honorable Penny Pritzker
Secretary of Commerce
1401 Constitution Ave, NW
Washington, D.C. 20230

The Honorable Michael Froman
United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Secretary Pritzker and Ambassador Froman,

As Members of Congress from the state of Texas, the largest cotton producing state in the nation, we are writing to express our deep concern about several aspects of Turkey's anti-dumping investigation of United States' cotton exports, self-initiated by the Turkish Ministry of Economy on October 18, 2014. We appreciate the demarche that was issued to the U.S. Embassy in Turkey, and we respectfully request that you continue this strong engagement by the U.S. government to prevent Turkey's actions from developing into serious obstacles to the continued export of U.S. cotton.

It is clear this case was launched as political retaliation against the U.S., rather than in response to credible evidence of dumping of U.S. cotton exports – a clear violation of World Trade Organization (WTO) rules governing anti-dumping investigations. Prior to initiation of the investigation, Turkish Minister of Economy Nihat Zeybekci made public statements, reported in the Turkish media, that the Ministry would retaliate against U.S. trade measures by imposing three obstacles to U.S. exports for every one obstacle imposed by the U.S. to Turkish exports.

Such retaliatory action simply has no place in the rules-based international trading system. While WTO rules permit the self-initiation of anti-dumping investigations when warranted by special circumstances, retaliation can never constitute a legitimate special circumstance. In its self-initiation report, the Ministry did not cite any special circumstance that would justify self-initiation. Moreover, the Ministry's self-initiation report contains a number of unsupported findings inconsistent with the evidentiary requirements for self-initiation imposed by WTO rules.

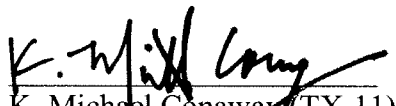
We now understand the Ministry is considering the imposition of a provisional anti-dumping duty, even though they have only recently begun to receive the initial questionnaires completed by U.S. cotton exporters. WTO rules only permit the imposition of a provisional anti-dumping duty upon the issuance of a preliminary determination, which must rest on adequate

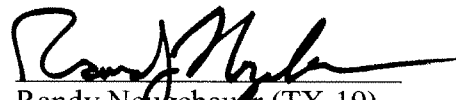
evidence of dumping and injury to the domestic industry. We do not see how, with fact-finding at such an early stage, there could be any legitimate basis yet for the consideration of a provisional duty.

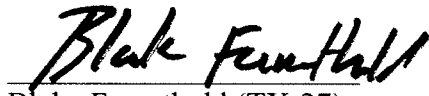
The demarche was an important signal to Turkey that the U.S. government is actively monitoring all actions taken by the Ministry of Economy to ensure no WTO violations occur. In addition, we respectfully request that the Office of the U.S. Trade Representative and the Department of Commerce coordinate a strong response from the U.S. government by: seeking status for the U.S. government as an interested party to the investigation; submitting comments for the record to the Turkish Ministry of Economy illustrating violations of WTO rules identified thus far in the course of the investigation; and clearly communicating to Turkish officials the U.S. government's intention to challenge the investigation in the WTO when violations occur – the imposition of a provisional duty without adequate evidence could be enough to challenge, by itself.

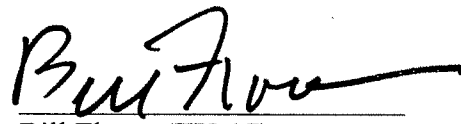
We value the vibrant and growing economic ties between Turkey and the U.S. but seek your help in ensuring that it continues to develop in accordance with existing WTO rules governing international trade.


Sincerely,

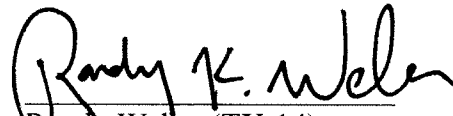

K. Michael Conaway (TX-11)
Member of Congress



Randy Neugebauer (TX-19)
Member of Congress

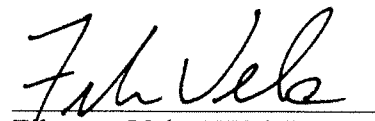

Blake Farenthold (TX-27)
Member of Congress


Bill Flores (TX-17)
Member of Congress


Joe Barton (TX-6)
Member of Congress


Randy Weber (TX-14)
Member of Congress


Mac Thornberry (TX-13)
Member of Congress


Filemon Vela (TX-34)
Member of Congress

Congress of the United States
Washington, DC 20515

December 15, 2014

Ambassador Serdar Kiliç
Embassy of Turkey
2525 Massachusetts Ave. NW
Washington, D.C. 20008

Ambassador Kiliç,

As Members of Congress from the state of Texas, the largest cotton producing state in the United States, we are writing to express our deep concern about several aspects of Turkey's anti-dumping investigation of U.S. cotton exports, self-initiated by the Turkish Ministry of Economy on October 18, 2014.

It is clear this case was launched as political retaliation against the U.S., rather than in response to credible evidence of dumping of U.S. cotton exports – a clear violation of World Trade Organization (WTO) rules governing anti-dumping investigations. Prior to initiation of the investigation, Turkish Minister of Economy Nihat Zeybekci made public statements, reported in the Turkish media, that the Ministry would retaliate against U.S. trade measures by imposing three obstacles to U.S. exports for every one obstacle imposed by the U.S. to Turkish exports.

Such retaliatory action simply has no place in the rules-based international trading system. While WTO rules permit the self-initiation of anti-dumping investigations when warranted by special circumstances, retaliation can never constitute a legitimate special circumstance. In its self-initiation report, the Ministry did not cite any special circumstance that would justify self-initiation. Moreover, the Ministry's self-initiation report contains a number of unsupported findings inconsistent with the evidentiary requirements for self-initiation imposed by WTO rules.


We now understand the Ministry is considering the imposition of a provisional anti-dumping duty, even though they have only recently begun to receive the initial questionnaires completed by U.S. cotton exporters. WTO rules only permit the imposition of a provisional anti-dumping duty upon the issuance of a preliminary determination, which must rest on adequate evidence of dumping and injury to the domestic industry. We do not see how, with fact-finding at such an early stage, there could be any legitimate basis yet for the consideration of a provisional duty.

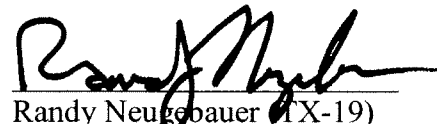
Turkey's actions are alarming and indicate a disregard for Turkey's obligations under the WTO. We have asked U.S. Commerce Secretary Penny Pritzker and U.S. Trade Representative Michael Froman to carefully monitor Turkey's anti-dumping investigation for any possible violations of WTO rules. We are urging them to pursue appropriate remedies – including WTO

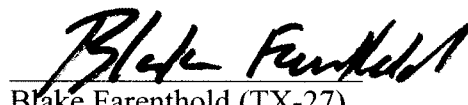
dispute settlement – at the earliest opportunity to ensure the lawful treatment of U.S. cotton exports to Turkey. However, the many legal deficiencies apparent this early in the investigation lead us to conclude that immediate termination of the investigation would be the most appropriate remedy.


We value the vibrant and growing economic ties between our two countries but seek your help in ensuring that it continues to develop in accordance with existing WTO rules governing international trade.

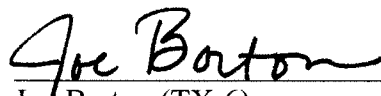
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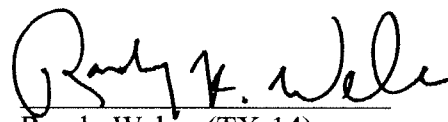

K. Michael Conaway (TX-11)
Member of Congress

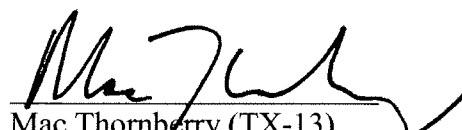

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Mac Thornberry (TX-13)
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Filemon Vela (TX-34)
Member of Congress

JASON SMITH

8TH DISTRICT, MISSOURI

**COMMITTEE ON
THE JUDICIARY**

COURTS, INTELLECTUAL PROPERTY AND
THE INTERNET SUBCOMMITTEE

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NATURAL RESOURCES**

PUBLIC LANDS AND ENVIRONMENTAL
REGULATION SUBCOMMITTEE

WATER AND POWER SUBCOMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515-2508

December 10, 2014

The Honorable Michael Froman
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Honorable Penny Pritzker
U.S. Secretary of Commerce
1401 Constitution Ave., N.W.
Washington, D.C. 20230

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ROLLA, MO 65401
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WEST PLAINS, MO 65775
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POPLAR BLUFF OFFICE
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POPLAR BLUFF, MO 63901
(573) 778-6879—PHONE

<http://www.jasonsmith.house.gov>

Dear Ambassador Froman and Secretary Pritzker:

I am writing to express my deep concern with several aspects of Turkey's antidumping investigation of U.S. cotton, self-initiated by the Ministry of Economy on October 18, 2014. I appreciate the demarche that was issued to the U.S. Embassy in Turkey, and respectfully request that you continue this strong engagement by the U.S. government to prevent Turkey's actions from developing into serious obstacles to the continued export of U.S. cotton.

I am concerned that this case was launched as political retaliation against the United States, rather than in response to credible evidence of dumping of U.S. cotton exports. If that is the case, this would be a clear violation of World Trade Organization (WTO) rules governing antidumping investigations. Prior to initiation of the investigation, Minister of Economy Nihat Zeybekci made public statements, reported in Turkish media, that the Ministry would retaliate against U.S. trade measures by imposing three obstacles to U.S. exports for every one imposed by the United States to Turkish exports.

Such "tit-for-tat" retaliatory action simply has no place in the rules-based international trading system. While the WTO rules permit the self-initiation of antidumping investigations when warranted by "special circumstances," retaliation can never constitute a legitimate special circumstance. Indeed, the Ministry of Economy did not, in its self-initiation report, cite any special circumstance that would justify self-initiation. Moreover, the Ministry's self-initiation report contains a number of unsupported findings inconsistent with the evidentiary requirements for self-initiation imposed by the WTO rules.

It has come to my attention that the Ministry of Economy is considering the imposition of a provisional antidumping duty, even though U.S. exporters have not yet responded to initial questionnaires issued by the Ministry. WTO rules only permit the imposition of a provisional antidumping duty upon the issuance of a preliminary determination, which must rest on adequate evidence of dumping and injury to the domestic industry. I do not see how, with fact-finding at such an early stage, there could be any legitimate basis yet for the consideration of a provisional duty.

The demarche was an important signal to the Turkish government that the U.S. government is actively engaged and observing closely to identify any WTO violations. In addition, I respectfully request that USTR and DoC coordinate a strong response from the U.S. government by: seeking status for the U.S. government as an interested party to the investigation; submitting comments for the record to the Turkish Ministry of Economy illustrating violations of WTO rules identified thus far in the course of the investigation; and clearly communicating to Turkish officials the U.S government's intention to challenge the investigation in the WTO when violations occur – the imposition of a provisional duty without adequate evidence could be enough to challenge, by itself.

I value the vibrant and growing economic ties between Turkey and the United States, but seek your help in ensuring that it continues to develop in accordance with the existing WTO rules governing international trade.

Sincerely

A handwritten signature in blue ink, appearing to read "J. Smith".

Jason Smith
MEMBER OF CONGRESS

JASON SMITH

8TH DISTRICT, MISSOURI

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December 10, 2014

His Excellency
Serdar Kılıç
The Ambassador of the Republic of Turkey
2525 Massachusetts Avenue, N.W.
Washington, D.C. 20008

Dear Mr. Ambassador,

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Turkey's actions are alarming and indicate a disregard for Turkey's obligations under the WTO. I have asked U.S. Commerce Secretary Penny Pritzker and U.S. Trade Representative Michael Froman to carefully monitor Turkey's antidumping investigation for any possible violations of WTO rules. I am urging them to pursue appropriate remedies – including WTO dispute settlement – at the earliest opportunity to ensure the lawful treatment of U.S. cotton exports to Turkey. I must be clear; however, that the many legal deficiencies already apparent in the investigation lead me to conclude that immediate termination of the investigation would be the most appropriate remedy.

I value the vibrant and growing economic ties between our two countries, but seek your help in ensuring that it continues to develop in accordance with the existing WTO rules governing international trade.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Smith", with a large, sweeping flourish extending from the bottom left of the signature.

Jason Smith
MEMBER OF CONGRESS