

United States Senate

WASHINGTON, DC 20510

March 15, 2016

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

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

Dear Mr. Ambassador/Madam Secretary:

We are writing to express our deep concern regarding Turkey's antidumping investigation of U.S. cotton, self-initiated by the Ministry of Economy on October 18, 2014. Specifically, we are troubled by the Turkish government's final disclosure report, released on February 9, 2016. The report recommends the imposition of anti-dumping duties on imports of U.S. cotton. Our domestic cotton industry will suffer significant economic harm by these duties by greatly reducing U.S. cotton fiber sales to currently our largest export market. A final determination on the duties is expected very soon, which is why we strongly request that you forcefully raise these concerns during the World Trade Organization (WTO) Trade Policy Review of Turkey during March 15 - 17, 2016.

The Ministry of Economy analysis that led to the recommendation of duties is extensively flawed and further supports our assertions that the investigation is retaliatory against U.S. antidumping and countervailing duty investigations of Turkish steel products. As you know, retaliation is not a legal ground for self-initiating an antidumping investigation. Furthermore, the WTO antidumping agreement requires "special circumstances" for an investigation to be self-initiated, none of which were described in the initial report or the final disclosure report. Lastly, the lack of transparency provided in both the initial report and the final disclosure report make it impossible to fully counter the original analysis and assertions. The Turkish government is clearly afoul of their WTO obligations regarding this antidumping investigation.


Underscoring the political motivation for Turkey's investigation against U.S. cotton, the Ministry of Economy's final report ignores the considerable evidence provided by the National Cotton Council and other cotton industry members that Turkey's cotton market has experienced price declines due to the same factors as cotton markets everywhere. Notably, policy changes in key countries such as India and China and stagnant global demand pushed cotton prices lower since 2011. A duty on U.S. cotton will therefore not impact the price of cotton in Turkey; it will only serve to compel Turkish textile mills to source their cotton elsewhere; and U.S. cotton may never regain that market share.

Thank you for raising these important concerns during Turkey's Trade Policy Review before the WTO. Despite the engagement of the Turkish textile industry and U.S. cotton merchandizing firms opposing the duties, pressure from the U.S. government in this WTO forum may have a stronger impact on the outcome of the investigation.

Sincerely,



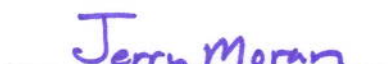
JOHNNY ISAKSON
United States Senator



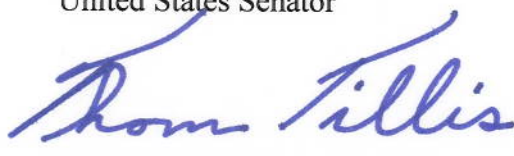
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