

**Emergency Committee for American Trade (ECAT)
National Foreign Trade Council (NFTC)
United States Chamber of Commerce
United States Council for International Business (USCIB)**

July 22, 2009

The Honorable Harry Reid
Senate Majority Leader
S-221, The Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
S-230, The Capitol
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

As leading business organizations that wish to support responsible and effective domestic and international responses to climate change, we write to express our deep concerns with certain trade and competitiveness provisions of the American Clean Energy and Security Act of 2009 (H.R. 2454), which recently passed the House. We urge the Senate to refrain from including provisions that could negatively impact U.S. relations with key trading partners and disrupt the global trading system.

We believe any successful legislation that aims to restrain greenhouse gas emissions must abide by U.S. international trade obligations and should encourage action by other major emitting countries. We are concerned that some provisions contained in H.R. 2454, such as those creating the international reserve allowance program and permitting tariffs or “border measures” on carbon-intensive imports, are highly inflexible, and likely to conflict with obligations the United States has undertaken in international trade agreements. In fact, these provisions are already stirring consternation among some of our key trading partners and could trigger a “green trade war.”

Climate change is a global problem that calls for international cooperation, not unilateral ultimatums. The United States should seek to achieve an international consensus not only on an agreement at the UN Framework Convention on Climate Change (“UNFCCC”), but also on the use of trade-related measures in domestic climate change legislation. If such measures are pursued as a last resort, it is imperative that the President is given wide discretion to decide whether or not to impose them.

In the midst of a global recession, we agree wholeheartedly with President Obama that “we have to be careful about sending any protectionist signals” in the context of this important legislation. We urge you to ensure that any U.S. legislation on greenhouse gas emissions reflects the U.S. role in the international economy and respects U.S. obligations, including those as a member of the World Trade Organization, while also emphasizing cooperation with other major economies as the key to addressing this global problem.

Sincerely,

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