

NATIONAL FOREIGN TRADE COUNCIL, INC.

1625 K STREET, NW, WASHINGTON, DC 20006-1604

TEL: (202) 887-0278



FAX: (202) 452-8160

July 21, 2010

The Honorable Henry A. Waxman
U.S. House of Representatives
2309 Rayburn House Office Building
Washington, DC 20515-0524

Dear Congressman Waxman:

I am writing to express serious concern with H.R. 4678, the Foreign Manufacturers Legal Accountability Act, which is scheduled to be considered by the Committee on Energy and Commerce this morning, July 21.

While the intent of the legislation to protect consumers against “fly by night” companies is admirable and important, this bill would violate a variety of U.S. international commitments and harm U.S. exporters and workers by encouraging retaliation abroad and needlessly complicating U.S. manufacturing.

The bill would violate several international agreements. On its face, H.R. 4678 would violate U.S. commitments under Articles I, III and XI of the General Agreement on Tariffs and Trade. Although exceptions to WTO rules exist for protecting life and health, I firmly believe that this legislation would fall outside those exemptions, particularly given existence of a clearly accepted alternative to issuing service of process established under the Hague Service Convention of 1965, to which the World Trade Organization would look for guidance. This legislation would also conflict with U.S. obligations under NAFTA and other international treaty commitments such as the Friendship, Commerce, and Navigation Treaty.

H.R. 4678 could adversely affect complex U.S. manufacturing operations and would undoubtedly hinder exports. U.S. manufacturers routinely develop supplier relationships built on years of design and operational coordination. Prohibiting imports from these suppliers would leave many U.S. producers with no alternative, harming U.S. export competitiveness and threatening U.S. jobs.

This legislation would also invite retaliation by foreign governments, who will be tempted to impose similar and politically-motivated legislation against U.S. manufacturers, further harming U.S. exporters.

H.R. 4678 would likely cost U.S. jobs and presents a serious stumbling block to President Obama’s goal of doubling exports in five years while doing little to protect the safety of American consumers.

Sincerely,

A handwritten signature in black ink, appearing to read "W. A. Reinsch". The signature is fluid and cursive.

William A. Reinsch
President

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