



July 24, 2019

The Honorable Robert Lighthizer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

For nearly a century, the United States has been the leader in opening new markets for trade by driving down tariffs and eliminating other trade barriers. Global trade barriers have decreased dramatically thanks in part to American leadership, including in the World Trade Organization. As a result, our standard of living has increased dramatically as have those of people in other nations.

The WTO has functioned successfully as a voluntary forum for lowering trade barriers and addressing problematic trading practices between countries. Indeed, the United States has won close to 90 percent of the trade dispute cases it brings to the WTO. But the WTO is in need of reforms to deal with rapidly changing forms of trade driven by innovation and technological changes.

You have led the administration in outlining a number of areas needing reform, including greater transparency, self-declared developing countries, and the challenge of dealing with issues like industrial subsidies in nonmarket economies, forced technology transfers, and intellectual property. These are concerns shared broadly by many countries, but those concerns are accompanied by strong support for the WTO as a positive institution that has facilitated world trade and the growth and prosperity that comes with it.

In addition, the administration has raised concerns about the WTO Appellate Body and, citing those concerns, blocked the appointment of new Appellate Body members. As a result, the body will cease to function after December 11 when the terms of two current members expire, unless new members are appointed, rendering these reforms an urgent priority.

Appellate Body reforms have been advanced by the European Union, Canada, and other WTO members, but the administration has rejected these proposals while declining to put forward any specific proposals that could help drive progress. Even your written responses to the Senate Finance Committee following your March testimony failed to identify any productive ideas that Appellate Body reforms could build on.

We are concerned that the failure to address Appellate Body reforms may lead to an unraveling of not only the dispute resolution process, but the WTO as a whole. This would limit U.S. access to other markets and could create a frontier approach to trade that will see tariffs increase across the globe and countries adopting a go-it-alone, eye-for-an-eye approach even less likely to resolve disagreements. Either outcome would impose massive risks not only on the global economy, but on ours as well.

We applaud your commitment to fulfilling our obligations under the WTO. But prompt action and bold leadership are necessary to ensure the WTO remains an effective body for resolving trade disputes. **We therefore respectfully request that you put forward a specific proposal that could serve as a guidepost at the WTO to craft meaningful Appellate Body reform that would meet the administration's objectives.**

Time is short, and immediate action is necessary.

We stand ready to work with you to advance reforms that will further open trade, and maintain and grow American prosperity.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tim Phillips', with a stylized, cursive script.

Tim Phillips
President
Americans for Prosperity

Through broad-based grassroots outreach, Americans for Prosperity (AFP) is driving long-term solutions to the country's biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives. For more information, visit www.AmericansForProsperity.org