

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

April 30, 2004

Honorable David M. Walker
Comptroller General
General Accounting Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Walker:

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (19 U.S.C. 1675c) provides that duties collected under antidumping and countervailing duty orders on goods imported into the United States are to be paid to companies, labor unions and other entities that filed or supported the petitions which resulted in those orders. Since the enactment of this provision, over \$750 million in duties have been disbursed to U.S. entities in 2001, 2002, and 2003. According to the President’s budget, another \$885 million is expected to be disbursed in 2004.

The World Trade Organization (“WTO”) has ruled that the CDSOA is inconsistent with U.S. obligations to the WTO. A WTO arbitrator established the end of 2003 as a “reasonable” period in which the United States can come into conformance with the WTO ruling or face retaliatory tariffs from U.S. trading partners. The Administration has requested the Congress to repeal the CDSOA. Meanwhile, certain U.S. industry groups have raised concerns about the administration and operation of the CDSOA.

The administration and operation of the CDSOA is therefore a matter of timely concern to Congress. To aid Congress in its deliberations on the issue, we request the GAO to carry out a comprehensive review of the CDSOA and its impact on recipient industries. We request the GAO’s analysis include, but not be limited to, the following issues:

- the total amounts claimed and paid, broken down by year, in rank order by recipient and by product or industry sector; projections for future payments; and the factors that influence the distribution of such payments.

- analysis of top 30 recipients of CDSOA funds indicating:

- how the entity spent the funds and whether the funds were used for the purposes sought,

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- whether the entity has, since the enactment of CDSOA, increased or decreased production, capacity, or employment at any U.S. facility making a product for which payment was received under the CDSOA, and
- whether, since the enactment of CDSOA, the entity or an affiliate (as defined in the antidumping statute, 19 U.S.C. § 1677(33)) is engaged directly or indirectly in non-U.S. production and/or importation of a product for which payment was received under the CDSOA.

--U.S. government methods to evaluate company claims for disbursement of CDSOA funds and any follow-up by the U.S. government to ensure the funds were used for purposes outlined in the legislation.

--the impact of CDSOA funds on other domestic competitors, including through such measures as trends in U.S. production and capacity, U.S. market share, and financial performance.

-- whether the CDSOA has influenced an entity's decision to file or support an antidumping or countervailing duty petition, on the scope of any such petitions, and/or on decisions regarding limitations on the scope of existing antidumping or countervailing duty orders.

We would appreciate receiving this information by January 24, 2005. If you or your staff have any questions please feel free to contact Stephanie Lester in Chairman Crane's office at 225-6649, Adam Peterman in Representative Jim Ramstad's office at 225-2871, Jeff Dobrozsi at Representative John Boehner's office at 225-6205, or Kathy Lydon in Representative Biggert's office at 225-3515.

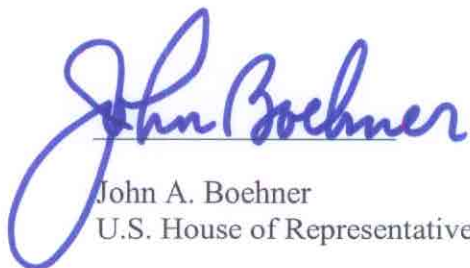
Sincerely,



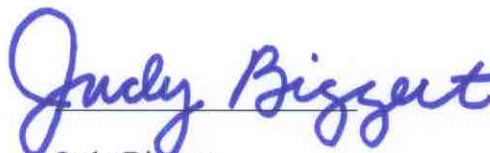
Philip M. Crane
U.S. House of Representatives



Jim Ramstad
U.S. House of Representatives



John A. Boehner
U.S. House of Representatives



Judy Biggert
U.S. House of Representatives