



The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington D.C. 20510

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
H-107, U.S. Capitol
Washington D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-230, U.S. Capitol
Washington D.C. 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington D.C. 20515

11 February, 2009

Dear Speaker Pelosi and Leaders Hoyer, Reid, Boehner and McConnell,

We write to raise our concerns about the 'Buy American' provisions of the draft American Recovery and Reinvestment Act now being finalised in conference between the US Senate and House of Representatives. BUSINESSEUROPE represents 20 million companies across Europe through 40 national business federations of 34 European countries and seeks to enhance the competitiveness of the European Union through the promotion of open markets. We write to add our voice to the debate on the Buy American provisions and strongly support the letter of February 4 from the broad U.S. business community to President Obama on this issue.

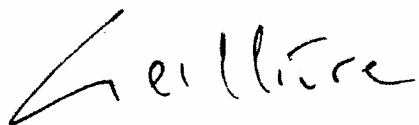
The world is facing the greatest economic crisis of the last 60 years. The business community strongly supports the moves of governments in Europe and around the world to stimulate their economies in a coordinated way. As our governments move to deliver timely, targeted and temporary intervention, however, all must be vigilant to avoid the protectionist pressures that the crisis is unleashing. America and Europe, who together represent just under half of total world trade, have a special responsibility to show leadership in this regard. If we fail to maintain the highest standards, other countries will see an opening for protectionism. European companies therefore believe that stimulus packages must fall firmly within the spirit and the letter of WTO law. The US commitments under the Government Procurement Agreement are no exception.

BUSINESSEUROPE would also note the recent report of the Petersen Institute for International Economics, which provides an insight into the likely employment impact of the proposed measures. It first demonstrates that the actual positive jobs impact of requiring the use of US-produced inputs would be very small in the context of a labour market of 140 million people. More significantly, it notes that the risk of lost US jobs due to retaliatory measures could be much greater than any jobs gained. The European Union alone has an existing public procurement market estimated at €1,500 billion (\$1,900 billion) in 2002. In addition U.S. companies and workers are likely to participate in projects emanating from Europe's new stimulus packages. At the EU Summit in December 2008, European leaders committed to spend 1.2% of GDP to get the European economy on track.

BUSINESSEUROPE strongly supports President Obama's position that the stimulus package should not signal protectionism. We welcome the Senate's amendment of the provisions to require compatibility with the US' international obligations. However, the complexity, for companies, of determining the compatibility of individual tenders with international rules will, in and of itself, create a strong disincentive for them to use international goods or materials in their applications. We therefore believe that the bill as it stands does not meet President Obama's test in that it will, in fact, send a protectionist message. We respectfully suggest that Congress, during the conference process, remove the provision from the bill altogether.

We know from our economic history that maintaining international economic activity will be a key element in driving economic recovery. We also know that the pressure for protectionist measures is stronger than ever at these times. BUSINESSEUROPE hopes that the United States Congress will endeavour to ensure an open approach to putting the economy back on track.

Yours sincerely,



Ernest-Antoine Seillière