



Franklin J. Vargo

Vice President

International Economic Affairs

July 12, 2005

Deborah A. Garza, Chair  
Jonathan R. Yarowsky, Vice Chair  
Antitrust Modernization Commission  
1120 G Street, NW, #810  
Washington, DC 20005

Dear Commissioners Garza and Yarowsky:

In response to the *Federal Register* notice of May 19, 2005 requesting public comment on certain issues being studied by the Commission, the National Association of Manufacturers (NAM) would like to voice its support for the Export Trading Company and Webb-Pomerene Acts, and urge the Commission **not** to recommend the elimination or limitation of these laws.

The NAM is the nation's largest industry trade association, representing small and large manufacturers in every industrial sector and in all 50 states. NAM has a major stake (as well as expertise) in all aspects of U.S. trade policy. We know from experience that (1) joint export trade is important to America's success in the world economy, and (2) the Webb-Pomerene and ETC provisions are essential in creating the conditions for joint export trade to occur. The cooperation fostered by these laws enables U.S. firms and industries to compete much more effectively in export markets.

We are particularly interested in the potential use of these provisions to help U.S. producers reach, collectively, into China, a distant and high-difficulty market which many smaller companies cannot reach individually. The NAM is extremely concerned about the failure of U.S. exports to China to grow along with the increase in that country's imports, and believe that tools such as those provided by the Webb-Pomerene and Export Trading Company acts may provide the way to boost U.S. company exports to China significantly.

The Webb-Pomerene and Export Trading Company provisions enable exporters to negotiate better rates for larger volumes of trade, helping reduce variable costs of transportation, warehousing and handling. It also allows U.S. exporters to consolidate market research and administrative costs and to mitigate various kinds of risks, ranging from non-payment to demand slumps, disruption in deliveries, political turmoil and even natural disasters.

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At a time when U.S. trade deficits are routinely setting record highs, and the need for an effective public policy environment supporting export trade has never been greater, the NAM strongly opposes repealing or limiting these export promotion measures.

While the NAM is joining with the Business Roundtable and other organizations in commenting on the broader range of subjects facing your commission, the NAM feels so strongly about the export issue that we wanted to send you our firm views on this issue separately.

Thank you for your full consideration of our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank J. Veith". The signature is written in a cursive style with a large initial "F" and a long horizontal stroke extending to the right.