Andrew J. Heimert
Executive Director & General Counsel
Antitrust Modernization Commission
1120 G Street, NW., Suite 810
Washington, DC 20005

15 July 2005

Dear Mr. Heimert:

By electronic mail: comments@arce.gov


I am writing on behalf of the 3,000 farmer-members of the US Rice Producers Association to urge the Commission NOT to recommend that repeal of the Export Trading Company Act. The US Rice Producers Association, representing rice farmers in Mississippi, Missouri, Texas, California, Louisiana and Arkansas, is the only organization solely representing the views of the U.S. rice farmers.

Pursuant to the above dated Federal Register Notice, we understand that the Antitrust Modernization Commission (Commission) is reviewing the possible repeal of the Export Trading Company Act (ETCA). The ETCA has been used, and still is being used, by the Association for the Administration of Rice Quotas to benefit the U.S. rice industry and our farmer members.

Specifically, export quotas, such as the European Union (EU) tariff rate quotas (TRQs) managed by AARQ, are frequently negotiated by the U.S. Government, as a part of trade agreements, to ensure foreign market access for U.S. agricultural products. In the case of the TRQ for U.S. rice, the United States negotiated for U.S.-based management of the quota system in order to maximize the benefit to the U.S. industry. However, as you are no doubt aware, the U.S. Government does not have authority to manage an export quota, and is unlikely to seek or obtain such authority in light of the advantages to leaving such activity in the private sector. The ETCA is currently the only mechanism available under U.S. law that allows for U.S. authorization of industry-managed export quotas. Without the U.S. Government’s approval of industry management, the EU likely would not have accepted U.S. management of the rice quota system. Thus, absent authorization under the ETCA, AARQ Members, the U.S. rice industry, and US rice farmers would not have been able to reap the intended benefits of the negotiated TRQs for rice exports to the EU.

Given the importance of the ETCA to AARQ management of the rice TRQs, we ask that the Commission support the continuation of the ETCA.

Sincerely,

Dwight A. Roberts
President & CEO

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