



EUROPEAN UNION
DELEGATION OF THE EUROPEAN COMMISSION
Head of Delegation

Washington, February 2, 2009
D/104

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 John Boehner
Minority Leader
U.S. House of Representatives
H-204, 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

Re: Buy American provisions in the American Recovery and
Reinvestment Act (ARRA) of 2009

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

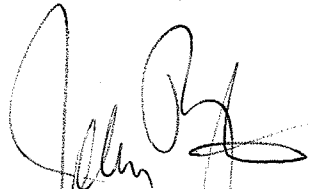
The European Commission has been following with interest the work in Congress to adopt the American Recovery and Reinvestment Act (ARRA) of 2009. The European Commission welcomes the overall objective of Congress to stimulate the U.S. economy and acknowledges the positive effects which can be expected inside the United States and beyond. At the same time, however, the European Commission must express its concerns with respect to the "Buy American" provisions of the bill. These concerns are set out below.

The European Commission understands that finding an appropriate response to the economic crisis is the main, and legitimate, objective of the United States Congress. But resorting to measures that may effectively close the markets from foreign operators cannot be considered the right or effective response to the situation. Open markets remain the essential pre-condition for a rapid recovery from the crisis, and history has shown us where measures taken contrary to this principle can lead us. The European Commission is particularly concerned about the message such measures would send to the world at a time when most countries are faced with the same situation of looking for best means to tackle the crisis. The United States and the European Union should take the lead in keeping the commitments not to introduce protectionist measures taken by the G20 in November 2008. Failing this risks entering into a spiral of protectionist measures around the globe that can only hurt our economies further.

As you are aware, the United States and the European Communities are both party to the World Trade Organisation Agreement on Government Procurement (GPA). This provides U.S. goods and services access to substantial procurement opportunities in the European Communities and its Member States, in return for access to procurement opportunities in the United States for EC goods and services. I expect that you will ensure that U.S. obligations under the GPA will continue to be observed. I would note that the EC has strenuously avoided any efforts to restrict procurement opportunities for U.S. goods and services in its response to the global economic downturn.

The European Commission hopes that in the preparation of the final version of the American Recovery and Investment Act, these concerns will be taken into account. We hope to see that the final bill will provide the U.S. the means to effectively tackle the crisis at hand while refraining from protectionist measures and holding on to the principle of open markets which must be the basis from which to overcome the current turmoil.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Bruton', with a large, stylized flourish above the name.

John Bruton
Ambassador