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May 27, 2005

Mr. Larry B. Wooten  
President  
North Carolina Farm Bureau Federation  
Post Office Box 27766  
Raleigh, North Carolina 27611

Dear Mr. Wooten:

Thank you for your letter of May 17, 2005 expressing the North Carolina Farm Bureau's support for the Dominican Republic and Central American Free Trade Agreement (DR-CAFTA). I appreciate how critical DR-CAFTA is for helping North Carolina farmers reach new markets.

I share your concern that we must continue to work to open up additional markets for North Carolina's products to ensure that our workers and farmers can compete in the global marketplace. As you noted in your letter, agricultural exports make up about 19 percent of total farm income in North Carolina. According to the U.S. Department of Agriculture, such exports help support over 20,500 jobs for North Carolinians on and off the farm—in food processing, storage and transportation. DR-CAFTA will create jobs in our state by expanding North Carolinians' ability to export.

Under the DR-CAFTA agreement, tariffs on a number of key U.S. farm exports will be significantly reduced. Currently, many agricultural products from the DR-CAFTA countries enter the United States duty-free, while many of our exports face stiff tariffs in the region. Pork products—North Carolina's most valuable farm commodity—currently face up to 40 percent tariffs in the region. Some countries in the region now impose a 164 percent tariff on poultry, another major North Carolina export product. Under DR-CAFTA, duties on soybeans, tobacco and other important crops, over time, will be eliminated.

North Carolina's cotton farmers would also receive better tariff treatment under the DR-CAFTA plan. Not only would cotton farmers who directly export to the region benefit, but so too would those who sell cotton to textile companies here in the United States. I have worked hard on behalf of the textile industry to make sure that their concerns about DR-CAFTA were dealt with by the Bush Administration. Many of these outstanding issues have been addressed. In one of a number of examples, U.S. Trade Representative Rob Portman has now assured me that USTR will seek an amendment to DR-CAFTA to benefit producers of textile pocketing and linings by establishing that such fabrics would have to originate in one of the DR-CAFTA signatory countries, including the United States.

I am pleased that DR-CAFTA enjoys wide, if not universal, support in the textile industry. Many textile companies have informed me that creating a market for their products in

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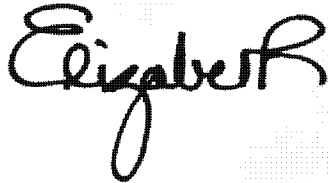
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Central America—where American made fabric would be transformed into apparel—is fundamental to their strategies for keeping jobs from leaving North Carolina and going to China.

The textile industry is not alone. Other manufacturing industries from across the state have voiced their support for DR-CAFTA. They represent companies as varied as heavy truck and bus manufacturers, electronics producers, software firms and pharmaceutical manufactures. In turn, these industries support thousands of jobs in our great state. As their markets expand, so too should employment opportunities for people across North Carolina, and that is why I intend to support DR-CAFTA.

Thank you again for writing me about North Carolina's agricultural community's strong support for DR-CAFTA. If I can be of any further assistance, please let me know.

With warmest best wishes,

A handwritten signature in black ink that reads "Elizabeth". The signature is written in a cursive style with a large, looped initial "E".