

Congress of the United States
Washington, DC 20515

June 29, 2010

Gene L. Dodaro
Acting Comptroller General of the United States
GAO Headquarters
441 G St., NW
Washington, D.C. 20548

Dear Mr. Dodaro:

In the 2006 U.S.-Canada Softwood Lumber Agreement (SLA), which settled litigation against the United States, the U.S. negotiated \$1 billion from approximately \$5.4 billion in Canadian cash deposits that were being held by the U.S., deposits which U.S. federal courts ordered the U.S. to return to Canadian exporters.

The SLA authorized the United States to distribute \$450 million of the \$1 billion U.S. share to organizations tasked with furthering timber-related meritorious initiatives, including environmental causes. The Office of the U.S. Trade Representative (USTR) designated the U.S. Endowment for Forestry & Communities, the American Forest Foundation, and Habitat for Humanity to carry out these initiatives. These organizations were provided \$200 million, \$150 million, and \$100 million, respectively.

In September of 2008, two conservation organizations and a prominent forest certification entity, the Forest Stewardship Council of the United States, filed a lawsuit against the USTR alleging that the SLA and its monetary distributions violated the Miscellaneous Receipts Act and the National Environmental Policy Act. A federal judge dismissed the case in July of 2009 for lack of standing without ruling on the merits of the claims. The case is on appeal to the Ninth Circuit Court of Appeals.

Irrespective of the outcome of this case, we have continued questions and concerns about how meritorious initiatives were designated, how the U.S. Government distributed funds to those private sector entities, and whether there was sufficient transparency and opportunity for Congressional involvement in the process. We would also like to know whether the administration met its obligations under the Miscellaneous Receipts Act and whether provisions of that law should be revisited by relevant Congressional oversight committees.

We request that the Government Accountability Office (GAO) undertake an investigation and report to Congress on these issues. We believe Congress has an important oversight role to play and must ensure that any mistakes that were made are not repeated in future trade agreements.

Sincerely,



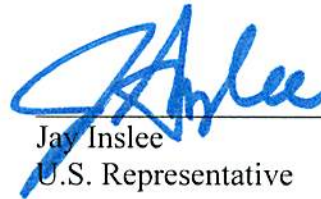
Maria Cantwell
U.S. Senator



Earl Blumenauer
U.S. Representative



Patty Murray
U.S. Senator



Jay Inslee
U.S. Representative



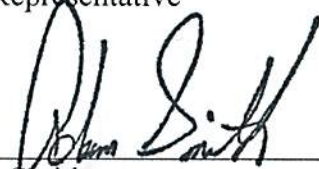
Ron Wyden
U.S. Senator



Rick Larsen
U.S. Representative



Jim McDermott
U.S. Representative



Adam Smith
U.S. Representative