

United States Senate

WASHINGTON, DC 20510-2402

January 12, 2015

Assistant Secretary Charles Rivkin
Bureau of Economic and Business Affairs
United States Department of State
2201 C Street NW, Room 4932
Washington, DC 20520-0099

Dear Assistant Secretary Rivkin:

I was pleased to receive the Department of State's recent report on cotton contract defaults, which was requested in the committee report accompanying the 2014 Department of State, Foreign Operations, and Related Programs Appropriations Bill. The drop in the world cotton price in late 2011 contributed to massive defaults on contracts for U.S. cotton by mills in 19 countries, and this report has provided the Committee with important information regarding the actions taken by foreign governments to address the situation.

Although some cases of default have been partially resolved in Bangladesh and Thailand, problems remain prevalent in the Vietnamese market. Vietnam's judicial system has failed to honor or uphold numerous arbitration awards without adequately justifying the lack of action. As Trans-Pacific Partnership negotiations continue, it is important that all countries wishing to become more reliable trading partners with the United States respect the rules that govern international trade.

Since 2011, the U.S. cotton industry has worked with the Departments of State and Agriculture and the Office of the United States Trade Representative to try to correct the problem. I urge you to continue to encourage the Vietnamese to honor their contractual and legal obligations. I would also appreciate being kept informed by the State Department on the progress or lack thereof toward resolving these contract defaults, which have resulted in hundreds of millions in losses for U.S. cotton shippers and cooperatives.

Thank you for your attention to this important matter. Please do not hesitate to contact me or my staff if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Thad Cochran", with a long horizontal flourish extending to the right.

THAD COCHRAN
United States Senator