

Congress of the United States
Washington, DC 20515

July 10, 2013

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Ave, NW
Washington, DC 20530

Dear Attorney General Holder:

In 2001, the Republic of Argentina defaulted on over \$81 billion in sovereign debt, much of it issued in the United States under New York law. Among the bond holders are firms that manage money for U.S. pension funds, charitable foundations, university endowments and other U.S. taxpayers. Since then, the Republic of Argentina has refused to negotiate with these bond holders and as a result, the debt holders have sued Argentina in the U.S. Courts, as provided for in the bonding agreements. Recently, the U.S. Court of Appeals for the Second Circuit once again ordered Argentina to remedy its failure to pay bondholders.

Now, it has come to our attention that the U.S. government is considering the extremely rare step of offering to support Argentina's petition for a writ of certiorari from the U.S. Supreme Court before the Court has even asked for the administration's views.

We are writing to express our strong opposition to such an action for the following reasons:

- Argentina has already refused to comply with over 100 judgments entered against it in U.S. courts of law.
- Its leaders have insulted U.S. judges, accusing them of practicing "colonialism."
- Its leaders have submitted proposals purporting to show how they would repay bondholders, only to turn around and boast in a press conference that they will never repay bondholders, no matter what the courts rule.
- At a recent hearing before the Second Circuit, Argentina declared that it would "not voluntarily obey" any order that favors bondholders.

Having U.S. government officials sit shoulder-to-shoulder with Argentina as it displays its contempt for the U.S. legal system before the nation's highest court would be a mistake. As a result, we strongly urge the U.S. Department of Justice to refrain from affording Argentina any further legal assistance in his matter.

We are aware that the U.S. government has supported Argentina in past court filings, and we understand that this support was motivated at least in part by the theory that supporting Argentina in this case was necessary to keep it from becoming antagonistic toward U.S. interests in the region. Unfortunately, a look at Argentina's trajectory in recent years seems to demonstrate this as a failed policy. In the past year alone, we are aware that:

- Argentina has received an extremely rare “declaration of censure” from the International Monetary Fund for repeatedly and flagrantly falsifying government statistics and refusing to comply with the IMF’s review requirements.
- Argentina has refused to pay approximately \$300 million in arbitral awards granted to U.S. companies by the dispute resolution arm of the World Bank.
- Argentina’s government has nationalized foreign and domestic assets without compensation, harassed critical media outlets and pushed for new laws that would allow the ruling party to pack the courts with its allies.
- Argentina’s government reached an agreement with Iranian president Mahmoud Ahmadinejad to re-open the question of culpability for a deadly 1994 terrorist attack in Buenos Aires, for which Argentine prosecutors already found the Iranian government responsible.
- Argentina has expanded bilateral trade with Iran at a time when most of the rest of the world (including the United States) is attempting to isolate Iran to pressure it to give up its nuclear program.
- The head of the U.S. Drug Enforcement Agency has identified Argentina as an increasingly problematic source of precursor chemicals used in manufacturing methamphetamines.
- Argentina’s government recently created a magnet for laundering money obtained illicitly by passing a law allowing people from anywhere in the world to exchange undeclared U.S. dollars in return for a tax amnesty with no questions asked.

In nearly every respect, Argentina’s behavior as a member of the world community and neighbor to the United States is worse today than it was on the day the U.S. government first intervened on Argentina’s behalf in court.

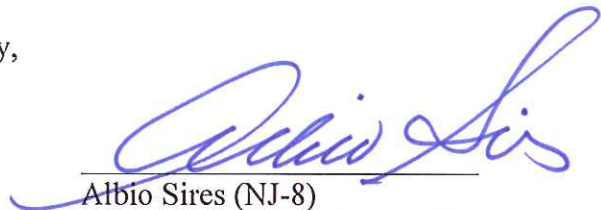
This shift by Argentina into open defiance of international norms lends strong support to our view that the U.S. government should discontinue its legal assistance to Argentina. Rewarding Argentina’s decision to flout well-established international principles regarding the orderly restructuring of sovereign debt has clearly emboldened its leaders to defy other international norms with impunity.

We appreciate in advance your consideration of this letter and your timely response to the concerns listed above. If you have any questions, we would be happy to discuss this matter further.

Sincerely,



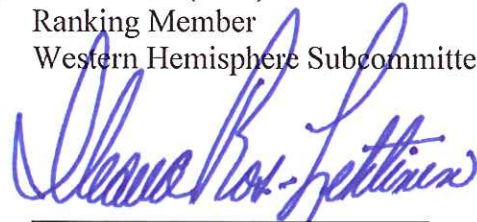
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