

AMERICAN TASK FORCE ARGENTINA

Robert Raben
Executive Director

November 19, 2009

The Honorable Nancy Pelosi
U.S. House of Representatives, Office of the Speaker
H-232, US Capitol
Washington, DC 20515

Dear Speaker Pelosi:

As executive director of American Task Force Argentina (ATFA), I am pleased to present a new report, *The Continuing Cost of Argentina's Debt Default and Restructuring for Bondholders, Taxpayers, and Investors in the United States and Worldwide*. This report by Robert Shapiro, ATFA co-chair and former Undersecretary of Commerce for Economic Affairs under President Bill Clinton, demonstrates the serious damage Argentina's 2001 default continues to impose on United States taxpayers.

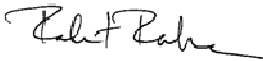
Dr. Shapiro's study calculates the substantial losses that taxpayers, bondholders and investors have suffered because of the failure of two successive Kirchner regimes to satisfy Argentina's financial and legal obligations to its lenders. The report found that the default and restructuring have imposed costs of some \$158 billion worldwide from December 2001 through December 2008. Argentina continues to owe its U.S. lenders \$3.8 billion, while indirect costs to U.S. taxpayers, including lost tax revenue, now total \$3.2 billion. Argentina's unwillingness to repay its debts has also harmed U.S. citizens at the state level. The total cost to bondholders, taxpayers and investors in New York alone total nearly \$2 billion.

In 2005, four years after Argentina announced the largest debt default in history, the Argentine government offered lenders approximately 27 cents on the dollar in its restructuring deal – far below the international norm for sovereign debt restructurings. Argentina then unilaterally repudiated the debts owed to the large number of bondholders who properly rejected that historically low offer, marking the first time a sovereign nation formally and unilaterally disavowed its obligations to its own international lenders.

This report demonstrates that Argentina's debt policies continue to adversely affect our own economy, as well as Argentina's. All branches of our government – Executive, Judicial and Legislative – have stated clearly that it is long past time for Argentina to rectify this problem.

Legislation introduced by Rep. Eric Massa – H.R. 2493, the Judgment Evading Foreign States Accountability Act of 2009 (JEFSa) – would discourage sovereign nations from chronically ignoring large financial and legal obligations to U.S. citizens. American Task Force Argentina strongly supports this legislation. We urge you to join as a cosponsor.

Sincerely,



Robert Raben
Executive Director, American Task Force Argentina
Former Assistant Attorney General under President Bill Clinton

Attachment: *The Continuing Cost of Argentina's Debt Default and Restructuring for Bondholders, Taxpayers, and Investors in the United States and Worldwide* (November 2009), by Dr. Robert J. Shapiro and Nam D. Pham.

CC: U.S. Secretary of State Hillary Clinton
U.S. Secretary of the Treasury Timothy Geithner
U.S. Ambassador to Argentina Vilma Martinez