

# AMERICAN TASK FORCE ARGENTINA

---

The Honorable Robert J. Shapiro  
Co-Chair

Ambassador Nancy Soderberg  
Co-Chair

October 16, 2007

M. Xavier Musca  
Chairman, Paris Club  
Treasury and Economic Policy General Directorate  
139, Rue de Bercy  
Télédoc 551  
75572 Paris Cedex 12  
France

Dear Chairman Musca:

We write to share with you our concern over recent reports of Argentina's efforts to settle outstanding debt owed to several Paris Club member countries. While Argentina should be commended for finally acknowledging the need to honor its obligations to foreign creditors, its continued insistence on rewriting the rules of international lending at each step in the process undermines the principles of the Paris Club.

By offering private investors the worst deal in history and then repudiating the debt obligations to bondholders who did not accept the initial restructuring terms in 2005, Argentina has violated established international standards of sovereign debt restructuring. In addition, Argentina attempted last month to negotiate its debt with Spain independent of an agreement with the other eighteen Paris Club members, a violation of Paris Club rules. Argentina then publicly refused to negotiate a formal agreement with the IMF, a prerequisite to a Paris Club deal.

We applaud the efforts of the Paris Club and IMF to hold Argentina accountable for its debt. It also is important that Paris Club representatives protect the rights of the hundreds of thousands of private bondholders who did not agree to Argentina's unilateral and unprecedented restructuring offer. In addition to billions in foregone investment returns for pensioners and other investors holding Argentine bonds worldwide, taxpayers throughout Europe, Asia and North America have been forced to offset foregone tax revenue for their governments.

We urge the Paris Club to communicate to Argentina that a reasonable, timely, debt payment agreement can be reached with all creditors impacted by its default and take-it-or-leave-it restructuring. The rights of Argentina's public and private creditors must be respected.

Sincerely,



Robert J. Shapiro



Nancy Soderberg

cc: Paris Club Finance Ministers