

February 7, 2008

The Honorable Charles B. Rangel  
Chairman  
Committee on Ways & Means  
U.S. House of Representatives  
Washington, DC 20501

Dear Mr. Chairman:

As you examine the U.S.-China economic relationship and consider the merits and shortcomings of a number of very different legislative proposals to address bilateral trade concerns, we urge you to assess carefully how best to meet the many challenges the relationship poses, while also ensuring that its many benefits for America and Americans are not unintentionally damaged. Acting prudently is particularly important at a time of slowing growth at home and growing instability in world financial markets.

The United States – its workers, farmers, manufacturers, service providers and the economy as a whole – has enjoyed substantial economic benefits in the seven years since Congress granted China permanent normal trading relations and China joined the World Trade Organization. China has become one of the largest customers for U.S. goods, services and agricultural products. It has cut its tariffs in half and become America's fastest growing (and soon-to-be third largest) export market, and it has become the third largest importer in the world. Our economies are deeply intertwined.

At the same time, we recognize the major trade challenges the United States faces with China both in our own market as well as in accessing fully and competing on a level playing field in China. Our organizations believe that to address these challenges, the United States must use all appropriate mechanisms, including aggressive diplomacy, enforcing the rules of trade, and international dispute settlement when appropriate, in order to ensure increased market access and fair treatment of U.S. companies and workers. Our organizations believe these challenges should also be addressed domestically, to ensure that all Americans benefit more from U.S. engagement in the global economy.

We are very concerned, however, that a number of pending legislative proposals, if enacted, would represent an abuse or violation of international rules and also run counter to our economic interests. One example is the proposed imposition of countervailing or antidumping duties based on a unilateral currency policy analysis. Such measures would erode the very rules that support U.S. commercial success at home and abroad, including in China. Indeed, such measures are more likely to prompt China to restrict, rather than open, its own market, as well as take other countermeasures that would undermine U.S. competitiveness and our economic interests.

In fact, the yuan has appreciated by more than 15 percent since 2005, and global and domestic economic factors in China today are increasingly aligned for further and more rapid appreciation of the yuan, one of Congress' primary concerns. We are deeply concerned that legislative proposals under consideration would provide a disincentive for China to allow further appreciation of the yuan, at precisely the time when the pace has increased.

America will continue to prosper in the global economy if we are strategic about the policies and objectives pursued. At a time when Congress is working to shore up U.S. economic growth, we urge you not to take action that could diminish U.S. competitiveness, particularly with respect to a market as important to the United States' continued growth as China.

Sincerely,

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Accessory Network Group  
ACE Group  
AEGON USA, Inc.  
AgTC - Agriculture Transportation Coalition  
Albany International Corp.  
Alcatel-Lucent  
American Apparel & Footwear Association  
American Council of Life Insurers  
American Electronics Association (AeA)  
American Insurance Association  
American International Group, Inc. (AIG)  
American Petroleum Institute (API)  
Amway  
Applied Materials, Inc.  
Arch Chemicals, Inc.  
AutoZone, Inc.  
Bechtel Corporation  
Best Buy Co., Inc.  
Big Agnes, Inc.  
Black Diamond Equipment  
The Boeing Company  
Boss Audio Systems  
Boston Scientific Corporation  
Brain-Pad, Inc.  
Buhler Quality Yarns Corp.  
Business Roundtable  
Cadbury Schweppes  
California Pak Int'l., Inc.  
Cargill, Incorporated  
Carole Hochman Design Group  
Case New Holland  
Caterpillar, Inc.  
Central Purchasing International, Inc.  
Chevron  
Chic and Snappy Designs  
Chindex International, Inc.  
Chrysler LLC  
The Chubb Corporation  
CITAC - the Consuming Industries Trade  
Action Coalition  
Citigroup, Inc.  
Coalition for Employment Through Exports  
Coalition of New England Companies for Trade  
(CONNECT)  
Coalition of Service Industries  
The Coca-Cola Company  
Consumer Electronics Association  
Cummins Inc.  
Currie Technologies Inc.

Dan River, Inc.  
DayMakers of Santa Barbara  
Design Resources, Inc.  
Dimo Gear LLC  
Distilled Spirits Council of the United States  
The Dow Chemical Company  
DRI DUCK Traders  
Eagle Creek Travel Gear  
Eastern Mountain Sports  
Eastman Kodak Company  
Emergency Committee for American Trade  
Emerson  
Engage China Coalition  
Etonic Worldwide LLC  
Exxon Mobil Corporation  
FedEx Express  
Financial Services Forum  
Financial Services Roundtable  
Fluor Corporation  
Footwear Distributors and Retailers of America  
Ford Motor Company  
Four Star Distribution  
Futures Industry Association  
General Electric Company  
General Mills  
General Motors Corporation  
gina b. international, LLC  
Golden Touch Imports Inc.  
GoldToe Moretz  
Grocery Manufacturers Association  
Hampshire Group Limited  
Hewlett-Packard Company  
The Home Depot  
Honeywell International Inc.  
Horizon Fitness  
Hormel Foods Corporation  
IBM Corporation  
Information Technology Association of America  
Information Technology Industry Council  
Intel Corporation  
ITT Corporation  
Jarden Apparel and Footwear  
J.C. Penney Corporation, Inc.  
J.C. Penney Purchasing Corporation  
Johnson & Johnson  
Jones Apparel Group  
JPMorgan Chase & Co.  
Kahn Lucas Lancaster  
Kokatat, Inc.  
Kopha International, LLC

Leading Lady, Inc.  
Leisure Merchandising Corp.  
Levi Strauss & Co.  
Liz Claiborne, Inc.  
Lotto Sport Italia SpA  
Lowe's Companies, Inc.  
Maritime Products International  
Mary Kay, Inc.  
Matrix Advisors, LLC  
The McGraw-Hill Companies  
Merck & Co., Inc.  
Merrill Lynch & Co., Inc.  
Michar LLC  
Microsoft Corporation  
Millenium Leather, LLC  
Monsanto Company  
Moore Recycling Associates, Inc.  
Morgan Stanley  
Motorola, Inc.  
National Electrical Manufacturers Association  
National Fisheries Institute  
National Foreign Trade Council  
National Instruments Corporation  
National Retail Federation  
New York Life  
NIKE, Inc.  
Oboz Footwear LLC  
One Step Up, Ltd.  
Oracle  
Oriental Rug Importers Association, Inc.  
Outdoor Industry Association  
Oxford Industries, Inc.  
Pacific Coast Council of Customs Brokers and  
Freight Forwarders (PCC)  
Patagonia, Inc.  
PepsiCo, Inc.  
Perry Ellis International  
Philip Morris International  
Phillips-Van Heusen Corporation  
PhRMA  
prAna  
Praxair, Inc.  
Principal Financial Group  
Procter & Gamble  
Produce Marketing Association  
Recreational Equipment, Inc. (REI)  
Regent Sports

Retail Industry Leaders Association  
Robert A. Kapp & Associates, Inc.  
Rocky Brands  
Rohm and Haas Company  
Scent-Lok Technologies  
Securities Industry and Financial Markets  
Association  
Shure Incorporated  
Sierra Designs & Ultimate Direction  
Sporting Goods Manufacturers Association  
Skyway Luggage Company  
Spyder Active Sports  
The SRC Group  
The Stowell Company  
Summit Group International  
Sun Life Financial Inc.  
Sun Microsystems, Inc.  
Symantec Corporation  
Target  
Texas Instruments  
ThreeSixty Sourcing, Inc.  
Travel Goods Association  
Triumph Apparel  
Tyco Electronics  
Underwriters Laboratories, Inc.  
United States Council for International Business  
(USCIB)  
United Technologies Corporation  
UPS  
U.S. Association of Importers of Textiles and  
Apparel  
U.S. Chamber of Commerce  
US-China Business Council  
U.S. Luggage  
VF Corporation  
Vibram USA, Inc.  
Visa Inc.  
Wal-Mart Stores, Inc.  
Warnaco Inc.  
Washington Council on International Trade  
Washington State China Relations Council  
Westinghouse Electric Company  
White Sierra  
Wordlock, Inc.