

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
 (CONECT)
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
Phillip Morris International
Phillips-Van Heusen Corporation
PhRMA
prAna
Praxair, Inc.
Principal Financial Group
Procter & Gamble
Produce Marketing Association
Recreational Equipments, 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
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