



For Immediate Release
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**FINANCE MEMBERS URGE CHINA TO MAKE PROGRESS
ON KEY TRADE AND ECONOMIC ISSUES**

Panel urges concrete action at upcoming Strategic Economic Dialogue

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) – together with all members of the Senate Finance Committee – today sent a letter to China’s Vice Premier Wu Yi, urging resolution of key trade and economic issues at next week’s Strategic Economic Dialogue (SED). Key issues raised by the Senators include the value of China’s currency, enforcement of intellectual property rights, implementation of China’s commitments in the World Trade Organization, lingering unscientific restrictions on U.S. agriculture products, and removing tariff and non-tariff barriers on environmental goods and services. The SED will be the second in a series of high-level, bilateral forums to discuss existing difficulties and plan for a strong future relationship between the two countries. At next week’s meeting in Washington, D.C., senior officials from both countries will cover issues related to trade, investment, currency, macroeconomic reform, labor, environment, and energy. The text of the letter follows here.

May 18, 2007

Her Excellency Wu Yi
Vice Premier
State Council, Central Government
Beijing, P.R. China

Dear Madam Vice Premier:

As Members of the Senate Finance Committee, which oversees U.S. trade policy in the United States Senate, we write on the eve of the upcoming session of the Strategic Economic Dialogue (“SED”) to urge your government to take actions to bring greater balance and growth to U.S.-China economic ties. We welcome your continued leadership in this new forum and hope that it can place our economic relationship on a path that is equitable, sustainable, and mutually beneficial.

The SED is rightly intended to focus on medium and long term objectives, including in the areas of financial sector reform, energy, and innovation. We see great potential in moving our relationship beyond past commitments and toward more ambitious horizons. However, achieving such goals depends on significant actions in the immediate and near term. Progress in many areas has been long promised and is overdue. Failure to adequately resolve these short term issues will not only keep our long term objectives out of reach, but also threatens to undermine the relationship between our two countries.

As you prepare for the SED, we look to your leadership and encourage you to bear this perspective in mind. To this end we urge you to come to Washington prepared to make meaningful commitments to:

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- increase the flexibility of and appreciate the RMB, allowing it to demonstrate greater responsiveness to market forces;
- achieve measurable and sustainable progress in the protection of intellectual property rights to foster an innovation economy, including strengthening of criminal penalties and other deterrents to violations of intellectual property rights;
- ensure full implementation of WTO commitments, including full market access and national treatment for foreign electronic payments providers, and further liberalize the services and financial services market, including for banks and insurers;
- follow sound science and remove restrictions on all U.S. beef and beef products regardless of the age of the cattle; and
- eliminate tariff and non-tariff barriers on environmental goods and provide increased access for environmental services.

Looking beyond next week's SED, we also underscore the importance of eliminating all subsidies, tax incentives, and industrial policies that are inconsistent with China's WTO commitments. Furthermore, we view as imperative that China fulfill its commitment to accede to the WTO Government Procurement Agreement with an ambitious and comprehensive offer by December 2007.

We look to China to take expeditious action on these issues as a way to put our countries on a path to a healthier and more stable trade, economic, and political relationship.

Very truly yours,

Max Baucus
Chuck Schumer
Olympia Snowe
Ken Salazar
Mike Crapo
Jim Bunning
Trent Lott
Gordon Smith
Jay Rockefeller
Jon Kyl
Blanche Lincoln

Chuck Grassley
Debbie Stabenow
Craig Thomas
Jeff Bingaman
Ron Wyden
Kent Conrad
John Kerry
Orrin Hatch
Pat Roberts
Maria Cantwell

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