

American Apparel & Footwear Association (AAFA)
American Chamber of Commerce -- China
The American Chamber of Commerce in Shanghai
American Council of Life Insurers (ACLI)
American Electronics Association (AeA)
American Exploration & Production Council (AXPC)
American Insurance Association (AIA)
Association of Equipment Manufacturers (AEM)
Automotive Trade Policy Council (ATPC)
Bankers' Association for Finance and Trade (BAFT)
Business Roundtable
Coalition for Employment through Exports (CEE)
Coalition of Service Industries (CSI)
Computing Technology Industry Association (COMPTIA)
Emergency Committee for American Trade (ECAT)
Financial Services Forum
The Financial Services Roundtable
Grocery Manufacturers Association (GMA)
Information Technology Industry Council (ITI)
Motion Picture Association of America (MPAA)
National Association of Manufacturers (NAM)
National Foreign Trade Council (NFTC)
Retail Industry Leaders Association (RILA)
Securities Industry and Financial Markets Association (SIFMA)
Sporting Goods Manufacturers Association (SGMA)
Travel Goods Association (TGA)
United States Council for International Business (USCIB)
U.S. Association of Importers of Textiles and Apparel (USA-ITA)
U.S. Chamber of Commerce
US-China Business Council (USCBC)

July 21, 2008

The Honorable George W. Bush
President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

We are writing to express our support for the negotiation of a high-standard and commercially meaningful Bilateral Investment Treaty (BIT) with the People's Republic of China and to welcome the announcement of the launch of formal U.S.-China BIT negotiations. A high-standard BIT with China will help promote our broader national and economic interests and, importantly, send a signal to all our trading partners that the U.S. remains committed to its leadership role in promoting open markets and the free flow of investment.

Foreign investment by U.S. companies, supported by the core access, investment-protections and dispute-settlement provisions discussed below, is a critically important driver of economic growth and productivity for the United States. U.S. investment abroad complements U.S. business activity here at home, supporting higher paying U.S. jobs, increased productivity, a higher standard of living and economic growth in the United States. Notably, U.S. investment abroad is vital to promote U.S. exports – approximately half of all U.S. merchandise exports go to U.S. foreign-invested subsidiaries abroad. Furthermore, the vast majority of U.S. manufacturing investment abroad is to produce for those local and regional markets abroad, not for export back to U.S. markets. More broadly, U.S. foreign investment is critical to achieve broader national U.S. interests, including access to natural resources, continuing the United States’ leadership in creating new and advanced technologies and promoting stability, economic development and the rule of law.

At the same time, foreign investment into the United States is very beneficial for our economy and workers. Foreign investment in the U.S. creates jobs at factories, spurs innovation by U.S. entrepreneurs, supports the U.S. economy through taxes and financing, and raises the standard of living for all Americans. As a country, we should continue to seek ways to encourage foreign investment in the United States from China and other nations.

A high-standard BIT with China would provide these benefits and more to the United States. China will be one of the most important world markets for decades to come, providing important economic opportunities to U.S. farmers, manufacturers, service providers and their workers. A strong and reciprocal U.S.-China BIT would improve U.S. access to China’s market and reduce measures that either discriminate against U.S. investors or deny them market access. Such a BIT would also promote broader U.S. interests in the protection of property, including intellectual property, foster transparency in China’s rulemaking, and promote the rule of law. Moreover, a BIT with China would enhance U.S. competitiveness globally, particularly since numerous European, Asian and Latin American countries have already negotiated investment treaties with China. As with any investment negotiation, the United States should negotiate an agreement with China that follows the U.S. Model BIT, as updated most recently with the U.S.-Rwanda agreement, and seek the strongest possible provisions that ensure:

- core investment protections, including fair and equitable treatment, full protection and security, compensation for expropriation, free transfer of capital, and disciplines on performance requirements;
- national treatment and most-favored nation treatment, including pre- and post-establishment across all sectors based on a negative-list approach, which is of particular importance in China, where its investment restrictions at the national, provincial and local levels are oftentimes opaque; and
- access to investor-state dispute settlement for breaches of the agreement and existing and future investment agreements with U.S. investors.

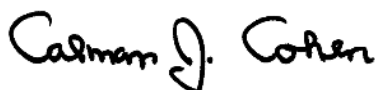
In so doing, it is also vital that these negotiations ensure competitive practices and treatment across all sectors, particularly given that China still has a significant state-owned sector.

Our organizations appreciate the consultation process that has begun with U.S. stakeholders during the U.S.-China exploratory discussions. We look forward to frequent and broad consultations with U.S. stakeholders as the negotiations proceed to ensure a strong outcome for

the United States. During the course of the BIT negotiations, we ask that U.S. negotiators continue to press vigorously for resolution of other priority issues on which work is ongoing between the United States and China.

U.S.-China BIT negotiations provide an opportunity to improve and strengthen the bilateral economic relationship and create new economic opportunities for U.S. businesses and workers. To accomplish these goals, it is critical that the negotiations focus on achieving a strong and high-standard agreement that opens markets and incorporates core protections and strong dispute settlement provisions. We and our member companies look forward to working closely with U.S. negotiators to achieve just such a result.

Respectfully,



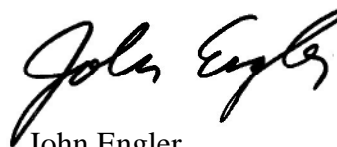
Calman J. Cohen
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United States Council for International Business



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William A. Reinsch
President
National Foreign Trade Council



J. Robert Vastine
President
Coalition of Service Industries



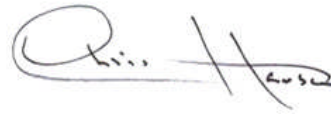
T. Timothy Ryan, Jr.
President & Chief Executive Officer
Securities Industry and Financial Markets
Association



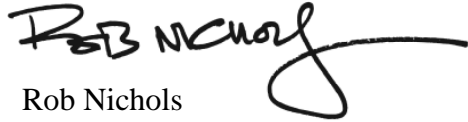
Stephen J. Collins
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Christopher W. Hansen
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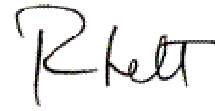
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President & CEO
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James Zimmerman
Chairman
American Chamber of Commerce – China



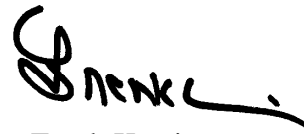
Dennis J. Slater
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Edmund Rice
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Coalition for Employment Through
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Cal Dooley
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Managing Director
Bankers' Association for Finance and Trade



Michele Marini Pittenger
President
Travel Goods Association



Dan Glickman
Chairman and CEO
Motion Picture Association of America



Tom Cole
President & CEO
Sporting Goods Manufacturers Association



Brenda Lei Foster
President
The American Chamber of Commerce in
Shanghai

Cc: The Honorable Condoleezza Rice, Secretary of State
The Honorable Susan C. Schwab, United States Trade Representative
The Honorable Henry M. Paulson, Jr., Secretary of the Treasury
The Honorable Carlos Gutierrez, Secretary of Commerce
Mr. Keith Hennessey, Director, National Economic Council
Mr. Stephen Hadley, Assistant to the President for National Security Affairs
Mr. Daniel M. Price, Assistant to the President and Deputy National Security Advisor for
International Economic Affairs