



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: U.S. case on China's treatment of U.S. auto parts
Da: Thursday, March 30, 2006

Today the U.S. Trade Representative, Ambassador Rob Portman, announced that the United States requested dispute settlement consultations with China in the World Trade Organization, to address China's unfair treatment of U.S. auto parts. The United States is joined in this action by the European Union. Sen. Chuck Grassley, chairman of the Committee on Finance which has jurisdiction over international trade, offered the following comments in light of today's announcement:

"I support this action by Ambassador Portman and commend his leadership on securing our rights under our trade agreements. Yesterday I led a hearing of the Finance Committee to review the status of our economic relations with China. I said then that the measure of our success in enforcing our trade rights is not the number of cases we bring to the World Trade Organization, but the number of successful outcomes we achieve. If we can avoid lengthy litigation, so much the better. The Administration has achieved important successes taking that approach. But we also need to be ready to litigate if we need to.

"The first step in a WTO case is to engage in consultations to try and settle the dispute. I hope the Chinese take this opportunity. There's also an upcoming meeting of the U.S.-China Joint Commission on Commerce and Trade planned in April, as well as a visit to Washington, D.C., by Chinese President Hu Jintao. I hope we can resolve this matter quickly. But if not, we have the benefit of WTO dispute resolution procedures to fall back on. That's one reason why it was so important to bring China into the WTO.

"I'm also glad to see that the European Union is joining us to address this issue of mutual concern. China's regulations unfairly discriminate against imported auto parts, and that's not allowed. I intend to follow developments in this case closely."