

**The U.S.-China
Joint Commission on Commerce and Trade (JCCT)
Outcomes on U.S. Requests
April 11, 2006**

Increasing U.S. Access to the Chinese Market

- Resumption of Trade in U.S. Beef. The Chinese government agreed conditionally to reopen the Chinese market to U.S. beef, subject to the finalization of a protocol by technical experts. The two sides agreed to quickly conduct such negotiations.
- Medical Devices. The Chinese government has agreed to take action to eliminate duplicative testing and certification requirements applicable to imported medical devices. Completion of this effort is expected by the end of May.
- Telecom Market Access. The Chinese government committed to make appropriate adjustments to its registered capital requirements for telecommunications service providers. The JCCT Telecommunications Dialogue will meet to discuss implementation of this commitment.
- Third Generation Mobile Communications Standards. The Chinese government restated its 2004 JCCT commitment to technology neutrality for 3G standards. It agreed to ensure that telecommunications service providers will be allowed to make their own choices as to which standard to adopt, and to issue licenses for all 3G standards in a technologically neutral manner that does not advantage one standard over others.
- Express Delivery. China reiterated its commitment that the regulatory environment for express delivery services by foreign companies will not be negatively impacted by issuance of new rules, including the new postal law.

Improving Enforcement of Intellectual Property Rights

In support of its commitment to significantly reduce intellectual property rights (IPR) infringement levels, China agreed to the following specific actions.

- Pirated Optical Disks (ODs) The Chinese government has taken action against 14 factories producing illegal optical disks and has pledged to step up enforcement in this important area to combat copyright piracy of films, music, and software. China and the U.S. will also explore new ways to strengthen cooperation in this area.
- Requirements to Install Legitimate Software. The Chinese government has issued a notice requiring the pre-loading of legal operating system software on all computers produced or imported into China, as well as a notice requiring government agencies to purchase computers with pre-loaded software. In line with these requirements, several Chinese computer manufacturers have recently signed agreements to purchase U.S. operating system software.

- Ensuring Use of Legal Software in Government and Enterprises. In addition to ongoing efforts to ensure use of legalized software at all levels of the government, China has launched efforts to ensure the legalization of software used in Chinese enterprises. In addition, China has agreed to discuss U.S. proposals regarding government and enterprise software asset management in the JCCT IPR Working Group.
- Rid Consumer Markets of Infringing Goods. The Chinese government has agreed to intensify its efforts to ensure that public markets in China are free of infringing products and has announced enforcement actions in several major cities.
- Individual Cases. The Chinese government agreed to help ensure that individual IPR cases raised by the U.S. government with China will be vigorously pursued.
- Action Plan: China has announced a broad action plan to improve enforcement of IP rights, including steps in the areas of enforcement, legislation and education. Strongly implemented, these steps could lead to significant improvement in the IP situation in China.

Ensuring the Rule of Law

- Transparency. The General Office of the State Council of the Chinese government has issued a notice requiring that all laws, regulations and other measures of all government ministries and agencies at all levels pertaining to or affecting trade in goods, services, TRIPS or the control of foreign exchange shall be published in a single official journal, *i.e.*, the China Foreign Trade and Economic Cooperation Gazette, issued by the Ministry of Commerce.

Structural and Regulatory Initiatives

- Government Procurement Agreement (GPA). The Chinese government committed to commence formal negotiations to join the GPA and submit its Appendix I GPA offer of coverage by no later than December 2007. In the interim, China will continue technical consultations with the U.S. and others.
- Bulk Chemicals. The Chinese government has agreed that the JCCT Medical Devices and Pharmaceutical Subgroup will discuss industry concerns regarding the production of active pharmaceutical ingredients (also known as bulk chemicals) in China.
- Steel Dialogue. The United States and China launched the JCCT Steel Dialogue on March 24, 2005, and agreed to hold a follow-on meeting with industry participants later this year.

Export Controls

- U.S. and Chinese officials agreed to establish a U.S.-China High Technology and Strategic Trade Working Group under the JCCT to review export control cooperation and facilitate high technology trade. Among the group's first activities will be planning a bilateral export control seminar in China.