

**TPSC CHAIRPERSON'S OPENING STATEMENT
PUBLIC HEARING
ON CHINA'S WTO COMPLIANCE
Washington, D.C.**

September 28, 2006

The hearing will come to order. This hearing is being conducted by the Trade Policy Staff Committee (TPSC), an interagency body chaired by the Office of the U.S. Trade Representative.

In addition to USTR, there are representatives from the Departments of Agriculture, Commerce, Labor, State, and Treasury, and the U.S. International Trade Commission. Many members of the USTR staff working on China also will be present.

The subject of this hearing is China's compliance with the commitments it made in connection with its accession to the World Trade Organization (WTO).

China formally became a member of the WTO on December 11, 2001. In accordance with section 421 of the U.S.-China Relations Act of 2000 (P.L. 106-286), the USTR is required to submit, by December 11 of each year, a report to Congress on China's compliance with commitments made in connection with its accession to the WTO, including both multilateral commitments and any bilateral commitments made to the United States. In accordance with section 421, and to assist it in preparing this year's report, USTR solicited public comment.

The terms of China's accession to the WTO are contained in the Protocol on the Accession of the People's Republic of China (including its annexes) (Protocol), the Report of the Working Party on the Accession of China (Working Party Report), and the WTO Agreement.

The Protocol and Working Party Report can be found on the Department of Commerce webpage, <http://www.mac.doc.gov/China/WTOAccessionPackage.htm>, or on the WTO website, <http://docsonline.wto.org> (document symbols: WT/L/432, WT/MIN(01)/3, WT/MIN(01)/3/Add.1, WT/MIN(01)/3/Add.2).

As provided in the regulations of the Trade Policy Staff Committee (15 CFR part 2003), the Chairman of the TPSC has invited written comments and/or oral testimony of interested person's on compliance with commitments made in connection with China's accession to the WTO, including, but not limited to, commitments in the following areas: (a) trading rights; (b) import regulation (e.g., tariffs, tariff-rate quotas, quotas, import licenses); (c) export regulation; (d) internal policies affecting trade (e.g., subsidies, standards and technical regulations, sanitary and phytosanitary measures, government procurement, trade-related investment measures, taxes and charges levied on imports and exports); (e) intellectual property rights (including intellectual property rights enforcement); (f) services; (g) rule of law issues (e.g., transparency, judicial review, uniform administration of laws and regulations) and status of legal reform; and (h) other WTO commitments. Written comments were submitted by September 18, 2006. These comments are available for review in the USTR Reading Room by appointment by calling 202-395-6186.

I would now like to introduce the panel members, including Tim Stratford, Assistant U.S. Trade Representative for China Affairs, who will also make a statement.

After these introductions, we will hear from the first witness, Mr. John Frisbie, President of the U.S. China Business Council.