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United States Senate

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June 30, 2005

Mrs. Jonna Bianco
President
American Bondholders Foundation, LLC
2840 Glasscock Road
Lewisburg, Tennessee 37091
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Dear Mrs. Bianco,

I appreciate your efforts with successor government regimes to enforce sovereign obligations, especially defaulted sovereign debt.

Upholding international trade and treaty obligations was not only the expectation but also the clear pre-condition of Congressional support of the People's Republic of China's admission to the World Trade Organization. Therefore, continuing to monitor China's actions to adhere to international trade and investment laws and practices is a natural oversight responsibility of Congress.

In fact, I look upon the People's Republic of China's recognition and settlement of defaulted obligations as a litmus test of their overall good economic intentions. I also note concern about the adequacy of disclosure and the responsibility of rating agencies in considering China's defaulted debt.

Your testimony before the House International Relations Committee on October 21st, 2003, referred to international debt exchange transactions as a possible form of settlement with the People's Republic of China. Certainly an indirect route can serve the purpose when the other side refuses to come to the table.

I understand your efforts on behalf of the American Bondholders Foundation have found a receptive environment among oil exporting Arab countries, including Yemen. Keep up your fine efforts up and keep me updated.

Sincerely,



James M. Inhofe
United States Senator