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Congress of the United States
House of Representatives

TELECOMMUNICATIONS, ENERGY AND COMMERCE

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TELECOMMUNICATIONS AND THE INTERNET

May 25, 2005

Mr. William Donaldson
Chairman
U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Complaint filed on behalf of defaulted creditors of the Government of China, alleging misleading sovereign credit ratings and inadequate disclosure pertaining to the offer, sale and trading of debt securities of the People's Republic of China including violations of international law.

Dear Mr. Donaldson:

I am writing to you in reference to the Complaint (dated March 31, 2005) filed with the Division of Market Regulation, describing allegations of inappropriate and misleading sovereign credit ratings assigned to the long-term foreign current debt of the People's Republic of China by the Nationally Recognized Statistical Rating Organization ("NRSROs"). I received a copy of this Complaint and based upon the substance of the allegations contained therein, it appears that the reclassification of the sovereign credit ratings of the People's Republic of China is mandated.

Since the NRSROs are regulated by the SEC Division of Market Regulation, I hope that you will agree with me that the very serious nature of the matter which comprises the subject of this Complaint merits your consideration for a formal investigation by the SEC. I would also appreciate being apprised of the results of the Commission's disposition of this matter.

Sincerely,

LEE TERRY
Member of Congress

LT: jr