

PHIL GINGREY
11TH DISTRICT, GEORGIA

ARMED SERVICES COMMITTEE
EDUCATION & THE WORKFORCE COMMITTEE
SCIENCE COMMITTEE
POLICY COMMITTEE

1718 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2631 Phone
(202) 225-2644 Fax



Congress of the United States
House of Representatives
Washington, DC 20515

DISTRICT OFFICES

219 ROSWELL STREET
MARIETTA, GA 30066
(770) 429-1778

600 EAST 1ST STREET
ROME, GA 30181
(706) 290-1778

207 NEWNAM STREET, SUITE A
CARROLLTON, GA 30117
(770) 835-8130

LAGRANGE, GA
(706) 812-1778

COLUMBUS, GA
(706) 320-2040

June 24, 2005

Mrs. Jonna Bianco
President
American Bondholders Foundation, LLC
2840 Glasscock Road
Lewisburg, TN 37091-6121

Dear Mrs. Bianco:

I appreciate your efforts towards achieving settlement with nations, especially those with successor governments like the People's Republic of China (PRC), in upholding their obligations for paying off sovereign debt.

As you probably know, participation in our globalized economy requires nations to not only embrace, but carry out international trade and treaty obligations, such as those associated with the World Trade Organization. This was not only the expectation, but the clear pre-condition for Congressional support of the PRC's admission to the WTO. With that said, Congress has a natural responsibility to monitor China's actions in regards to international trade and investment laws. I look upon the PRC's response and settlement of defaulted obligations as an indication of their overall economic intentions.

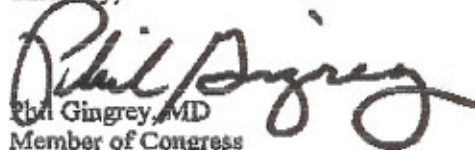
Testimony before the House International Relations Committee on October 21, 2003 described the formation of the American Bondholders Foundation (ABF) and your role in gathering the interest of individual American bondholders seeking settlement on China's defaulted bonds. I believe such initiatives should be applauded and encouraged by our nation's leadership. Thanks to the ABF's coordinating debt recovery efforts, thousands of Americans have the opportunity for fair treatment and due compensation.

In your 2003 testimony, you referred to international debt exchange transactions as a possible form of settlement. I understand this to be a common sense application of international law and trade practices. Consequently, I believe your approach conforms to the Paris Club's consideration of debt relief for debt burdened countries. Paris Club nations not only created an approach for its members to provide up to 80% debt relief to Iraq, but have encouraged Iraq to achieve comparable relief from non-Paris Club members like the PRC. The approach of the ABF to negotiate with intermediary debtor countries as a step towards a direct country-to-country debt cancellation exchange is an imaginative and constructive way for Heavily Indebted Countries to contribute debt relief, per the objectives of the Administration and the Congress.

I understand these efforts have been positively received among many nations burdened with PRC debt. As a Heavily Indebted Country by the World Bank's definition, the participation of Yeman, for example, in such a program ties in exactly with the type of debt relief envisioned by President Bush and Prime Minister Blair.

The ABF's initiative to take on the settlement of China's defaulted bonds, pursued in a manner consistent with recognized international standards, is helping to reinforce the multi-lateral system where nations trade and invest globally. Thank you for your efforts and please continue to keep me updated as this issue progresses.

Sincerely,


Phil Gingrey, MD
Member of Congress