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January 25, 2005

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

Dear Mrs. Bianco:

Thank you for keeping me and other members of Congress apprised of your efforts to achieve a settlement with the People's Republic of China with respect to their sovereign obligation to make good on China's defaulted sovereign debt. Congressional support of China's membership in the World Trade Organization pre-supposed genuine efforts of the PRC to become a nation in good standing regarding its obligations to the international trading and financial community. This includes the PRC satisfying international financial obligations to holders of that nation's sovereign debt.

Your testimony before the House International Relations Committee on October 21, 2003, described the formation of the American Bondholders Foundation (ABF) and your leadership role in gathering the interests of individual American bondholders seeking settlement on China's defaulted bonds sold in the U.S. As your testimony stated, by combining recovery efforts through the agency of the ABF the likelihood of achieving a fair and reasonable settlement on the defaulted PRC obligations is enhanced.

Your testimony also referred to possible settlement procedures involving international debt exchange transactions. I gather you have been exploring various alternatives by which intermediary parties (government or private) acquire the defaulted bonds for good value that contributes settlement payments to bondholders. These intermediate parties in turn are able to use the bonds for debt exchange offset transactions. Ultimately, the result is fair compensation to American bondholders and the extinguishment of the defaulted debt.

As I understand it, the benefits from this process include:

- the long-neglected American bondholder gains a remedy;
- a U.S. charity is also funded for its laudable goals;
- the U.S. Treasury receives important revenue from taxpaying bondholders;
- private and official intermediary parties gain their own advantage in these market-driven transactions, and
- China is advantageously positioned to meet its international obligations.

Additional potential benefits include the following:

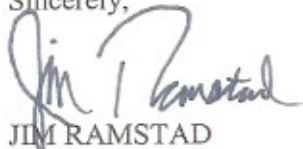
- investment contributes to economic growth in the area and for the people,
- export of equipment and services supplied from the U.S. builds our industry and expands our workforce, creating jobs for Americans;
- American engineering, construction and technology firms help local markets build their skilled labor force; and
- constructive responses to environmental considerations are fostered.

International debt settlement transactions that contribute in this way respond well to President Bush's goal of fostering investment and growth, especially in the Middle East. I am hopeful that to the extent U.S. exports are stimulated by these activities, the U.S. Export-Import Bank and other financial institutions will respond positively.

The initiative taken on the settlement of these defaulted bonds, pursued in a manner consistent with recognized international standards, should be encouraged for the many benefits it provides: to the American bondholders, for the local communities where exports of goods and services are supplied, for the related economic stimulation that expanded payrolls and exports generate, as well as increased tax revenue to the U.S. Treasury. I believe these contribute to a result that is healthy to communities at home and elsewhere.

The nation can be proud of your debt settlement efforts, and rest assured of continued support for your success. Please keep me informed as you continue to rely on U.S. support for your goals, and please let me know when I can be helpful.

Sincerely,



JIM RAMSTAD
Member of Congress

JR:kh