

RECOMMENDATIONS

The U.S.-China Trade and Economic Relationship's Current Status and Significant Changes During 2009

- The Commission recommends that Congress urge the administration to employ more aggressively all trade remedies authorized by World Trade Organization (WTO) rules to counteract the Chinese government's practices. The Commission further recommends that Congress urge the administration to ensure that U.S. trade remedy laws are preserved and effectively implemented to respond to China's unfair or predatory trade activities.
- The Commission recommends that Congress urge the United States Trade Representative (USTR) to strengthen its oversight of China's compliance with the rulings of the WTO's dispute settlement panels.
- The Commission recommends that Congress urge the USTR, as part of its annual National Trade Estimates report, to identify and prioritize for elimination barriers in China limiting the export of U.S. goods and services.
- The Commission recommends that Congress undertake oversight of the Strategic and Economic Dialogue to ensure that the talks benefit American farmers, workers, and businesses.
- The Commission recommends that Congress direct the U.S. Department of the Treasury to report annually on the status of the U.S. dollar as the world's reserve currency. This report should highlight actions, if any, taken during the reporting period by China and other nations that may contribute to the erosion of this status.

China's Role in the Origins of the Global Financial Crisis and China's Response

- The Commission recommends that Congress urge the administration to press China to allow the renminbi (RMB) to become flexible and responsive to market forces, thereby contributing to the correction of global economic imbalances. The Commission further recommends that Congress consider legislation that has the effect of offsetting the impact on the U.S. economy of China's currency manipulation.
- The Commission recommends that Congress pass legislation urging the administration to report specifically on information regarding Chinese-sourced products and services used in U.S. federally funded stimulus programs and make this information available to the public on a periodic basis.

China's Industrial Policy and its Impact on U.S. Companies, Workers, and the American Economy

- The Commission recommends that Congress urge the administration to employ more aggressively trade remedies to counteract the Chinese government's subsidies to favored industries. The Commission further recommends that Congress assess the adequacy of the resources of the U.S. Department of Commerce to investigate such subsidies.
- The Commission recommends that Congress urge the National Science Foundation to study and recommend to Congress ways to enhance the effectiveness of basic and applied research programs in the United States, with particular emphasis on advancing the competitiveness of key domestic production sectors.
- The Commission recommends that Congress urge the U.S. Department of Commerce to prepare an annual report on productive capacity in China in major industrial sectors. The report should identify what steps, if any, China has taken to develop, expand, retract, or change the utilization of capacity in these sectors over the previous years.
- The Commission recommends that Congress urge the U.S. Department of Commerce to develop rules and procedures for the collection and evaluation of information on the activities of U.S. companies in terms of their sourcing arrangements with producers (whether independent, joint venture, subsidiary, or other relationship) in China, to the extent authorized by law. The U.S. Department of Commerce shall prepare an annual report, based on this information, identifying changing sourcing patterns and key areas of interest and concern. This information should be subject to business proprietary confidentiality and only utilized in the report, to the extent practicable, on an aggregate basis.
- The Commission recommends that Congress urge the USTR to evaluate the use of selective value added tax rebates by China and their trade-distorting effect and determine what steps, if any, should be taken to address the issue.

China's Industrial Policy and its Impact on Upstate New York

- The Commission recommends that Congress explore the economic benefits to local communities of a national innovation strategy to meet the challenges of China's industrial policy.
- The Commission recommends that Congress request the National Academy of Sciences to conduct a study on the impact of outsourcing of manufacturing on U.S. domestic research, development, and innovation.
- The Commission recommends that Congress urge the U.S. Department of Energy, in consultation with other appropriate agencies, to report to Congress on the impact of Chinese subsidies and other elements of China's industrial policy on U.S.-based companies that manufacture clean energy products.