



November 6, 2008

The Honorable Barack Obama
President-elect of the United States
Presidential Transition Office
Washington, D.C. 20270

Dear President-elect Obama,

Congratulations on winning the recent election to become President-elect of the United States. The undersigned members of the **ENGAGE CHINA** coalition (www.engagechina.com) look forward to working with your Administration toward strengthening the most important bilateral relationship in the world today – the U.S.-China economic relationship.

With that priority in mind, we respectfully call your attention to the importance of continuing the U.S.-China Strategic Economic Dialogue (SED) or a similar high-level framework of regular communication with senior Chinese officials. A compelling means of conveying the importance with which your Administration will regard the U.S.-China relationship and the SED would be to have a senior economic advisor from your transition team participate with Treasury Secretary Paulson at the fifth round of SED meetings on December 4th and 5th in Beijing.

ENGAGE CHINA members are united in our view that the citizens of both nations significantly benefit from the growing bilateral economic relationship. Fair and competitive access to China's fast-growing middle class and business sector represents an enormous commercial opportunity for American manufacturers, farmers, and service providers, with major implications for U.S. economic growth and job creation. If China's 1.3 billion citizens were to eventually consume American-made goods and services at the same rate that Japan's citizens did last year, the United States would export more than \$600 billion worth of goods and services to China – 10 times what America exported to China last year, an amount equivalent to 5 percent of America's GDP, and more than twice what we imported from China last year. **ENGAGE CHINA** members are strongly of the view that continued reform and modernization of China's underdeveloped financial sector is critical to China achieving its own economic goal of building a more services-based and consumer-driven economy.

The recent market turmoil that began in the U.S. and has spread to other countries has underscored the vulnerabilities in certain financial systems and highlighted the degree to which economies are interconnected. While the market turbulence may challenge efforts to strengthen the U.S.-China economic relationship, we believe these events present a unique opportunity for the U.S. and other countries to learn and build a more durable financial and regulatory structure.

The SED – currently led by Treasury Secretary Paulson and Chinese Vice Premier Wang Qishan – has created an unprecedented channel of communication between the most senior U.S. and Chinese policymakers and provides an overarching framework for the examination of long-term strategic issues, as well as coordination of ongoing bilateral policy discussions. Progress to date, though incremental, has been important – demonstrating the clear value of the SED, or a similar high-level dialogue. In particular, the SED provides a senior-level framework within which U.S. policymakers can raise and discuss issues, in a coordinated and focused manner, that directly impact U.S. economic competitiveness and job creation.

We thank you for your willingness to consider these important suggestions, and wish you well in the transition and as you begin your Administration. We look forward to working with you toward strengthening the most important bilateral relationship in the world today – the U.S.-China economic relationship.

Sincerely,



Ed Yingling
President & CEO
American Bankers Association



Frank Keating
President & CEO
American Council of Life Insurers



Marc Racicot
President
American Insurance Association



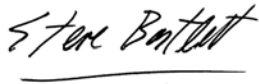
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