

**JOINT INDUSTRY STATEMENT**  
**On the Hyde Amendment to H.R. 2601**  
**“East Asia Security Act”**  
**July 19, 2005**

On behalf of our collective members, we register our strong opposition to the modified version of H.R. 3100, the East Asia Security Act, that will be offered as an amendment during House consideration of H.R. 2601, the Foreign Relations Authorization. We appreciate the efforts to incorporate several improvements in drafting the amendment. Although three helpful modifications have been made, the amendment still contains the fundamental flaws of the original bill that failed to pass in the House. Accordingly, we urge that the amendment be rejected.

We support the United States’ goal of dissuading other governments from making arms transfers to China. However, threatening unilateral, mandatory sanctions will not contribute to an accord with our allies in the European Union and with other governments. Although one sanction has been deleted from the original bill and a waiver provision has been added for one licensing requirement, other sanctions remain. The amendment continues to be based on a mistaken belief that other governments can be coerced through sanctions into adopting U.S. policy on arms transfers to China.

Moreover, the impact of the sanction and export control provisions in the amendment continues to fall on American companies and their workers. If enacted, the amendment would impede the ability of American companies to carry out many U.S. government-sponsored defense cooperation projects with our allies in Canada, Europe, the Middle East and Asia. The licensing requirements in the amendment will incur costs that will be borne by American companies, not foreign governments.

As with H.R. 3100, the effects of the proposed amendment have not been examined in any hearings and there has been no effort to seek the views of American exporters who will be negatively affected by the legislation. Neither has there been consideration of the impact of this legislation on the U.S. government’s ongoing efforts to reach an agreement with other governments on arms transfers to China.

*AeA*

*Coalition for Employment Through Exports*

*Computer Coalition for Responsible Exports*

*Computer and Communications Industry Association*

*Electronic Industries Alliance*

*Industry Coalition on Technology Transfer*

*Information Technology Industry Council*

*National Association of Manufacturers*

*National Foreign Trade Council*

*Semiconductor Equipment and Materials International*

*Semiconductor Industry Association*

*U.S. Chamber of Commerce*