

PETER J. ROSKAM

6TH DISTRICT, ILLINOIS

CHIEF DEPUTY WHIP

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEES:

SELECT REVENUE MEASURES

HEALTH



Congress of the United States

House of Representatives

Washington, DC 20515-1306

227 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4561

150 S. BLOOMINGDALE ROAD
SUITE 200
BLOOMINGDALE, IL 60108
(630) 893-9670

roskam.house.gov
facebook.com/RepRoskam
twitter.com/PeterRoskam

February 27th, 2012

The Honorable Ronald Kirk
United States Trade Representative
Executive Office of the President
600 17th Street N.W.
Washington, D.C. 20508

Dear Ambassador Kirk,

I am writing to again bring to your attention the ongoing dispute involving Fellowes, Inc. (Fellowes), a manufacturer based in my congressional district and its joint venture (JV) partner in China. This JV is of tremendous value to Fellowes and has accounted for over one-third of Fellowes' annual revenue. As you will see below, this issue requires our continued attention.

Fellowes is a family-owned manufacturer founded in Illinois in 1917. Headquartered in Itasca, IL, Fellowes' 550 Illinois employees manufacture products ranging from shredders to office storage units to office accessories. Known for making the "World's Toughest Shredders," Fellowes is a leader in producing innovative office products. Their continued innovation makes the dispute described below all the more serious.

In 2006, Fellowes entered into a JV with Shinri Machinery Co., Ltd. (Shinri) in Changzhou, Jiangsu Province, China. In 2009, without any advance notice Zhou Licheng took over control of Shinri from his brother, Zhou Liqun. Since the time of that ownership change, Zhou Liqun has not been seen or heard from despite an extended search by Fellowes. In the following year, the new Shinri management usurped control of the JV in direct violation of the JV contract. Fellowes has been denied access to the physical and intellectual property housed in the facility.

Due to Shinri's decision to seal off the JV facility and halt shipments, vendors of the JV filed suit for breach of contract. Under the resulting judicial proceeding a local Changzhou court has auctioned some of the assets from the JV facility. The remaining assets, namely Fellowes-owned injection molding and stamping tools and approximately 70,000 manufactured shredders are being held in the JV facility. A Chinese court has provided a short stay of further auctions to allow for more time to determine ownership of the tools.

Fellowes maintains that the JV's assets include Fellowes' intellectual property in manufacturing tools and finished goods.

I request that you contact the Chinese Ministry of Commerce to ensure fair treatment of Fellowes under the law and proper enforcement of the terms of the JV agreement. Fellowes has been made aware that some in the leadership of the Ministry of Commerce have local ties to Jiangsu Province. I also ask that you request a briefing from the Chinese Government on the status of this pending matter to ensure that applicable law that will guide this case.

I also request that you coordinate with officials in the U.S. Departments of Commerce and State, as well as the White House, to ensure that all levers of our government are applied to prevent continued acts of injustice against this longstanding family-owned American company. I look forward to working with you in the coming days, and in this week's Ways & Means Committee hearing, to find way in which we can work together to reach a reasonable resolution as swiftly as possible.

Very truly yours,

A handwritten signature in blue ink that reads "Peter Roskam". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Peter J. Roskam
Member of Congress