

American Chamber of Commerce in Shanghai's (AmCham Shanghai) responses to questions from ABCNews.com on the China draft Labor Contract Law:

AmCham Shanghai has never, and is not, lobbying against the proposed legislation.

In March 2006, in response to a call by the Legislative Affairs Commission under the Standing Committee of the National People's Congress, AmCham Shanghai, along with many other organizations submitted comments from members on the draft Labor Contract Law.

The Chinese government revised the proposed legislation following receipt of comments submitted on the first draft and issued a second draft for further comment. We then submitted comments on the second draft.

Comments on the second draft have been sent to the Legislative Affairs Commission under the Standing Committee of the National People's Congress for review. The Chinese government will decide on the next steps they wish to take in promulgating the law.

The goal of our comments was to contribute to the government's development of a fair and effective employment contract.

The comments submitted by AmCham Shanghai in March 2006 were a compilation of comments on the draft Labor Contract Law made by our members. At that time, AmCham Shanghai did not take an official position on the law. AmCham Shanghai only served as a conduit for the submission of members views on the first draft of the Labor Contract Law to the Chinese government. Since then, on behalf of our membership, AmCham Shanghai has formulated an official position on the draft Labor Contract Law.

For the record AmCham Shanghai supports the improvement in rights for Chinese employees and the passage of the draft Labor Contract Law. What we have pointed out is the need to focus on enforcement of China's existing labor laws and our members' concern about vague and impractical standards that won't, or can't, be implemented in practice. Most of the provisions in the proposed law merely restate existing law. The problem is therefore, not a lack of laws, but the enforcement of existing requirements.

Again, AmCham Shanghai has never, and is not, lobbying against the proposed legislation. We are responding to a call for comment on the draft Labor Contract Law by the Legislative Affairs Commission under the Standing Committee of the National People's Congress.

It should be noted that the draft Labor Contract Law is aimed primarily at some domestic enterprises that do not use written labor contracts and generally fail to comply with China's existing labor laws. AmCham supports the intent of the draft law to address this serious and longstanding problem.

In China, our members have a strong track record of bringing best-practice employment practices and environmental health and safety standards to China which, in many cases exceed legal requirements in China. U.S. companies generally act as models for the improvement of employment conditions, workers rights, and corporate social responsibility.

AmCham Shanghai applauds the Chinese government for its transparent process in developing this legislation. We look forward to making a positive contribution to the consultative process.