July 9, 2014

The Honorable Jacob J. Lew  
Secretary of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Lew:

As you begin the 2014 Strategic & Economic Dialogue (S&ED) with China, we implore you to use this year’s meeting to decisively confront the issue of currency manipulation.

The Administration’s efforts to date have been insufficient. Time and again, we have heralded progress only to see it eroded by China’s aggressive actions. Just last year, the Administration praised China’s commitment to addressing currency undervaluation following the S&ED. However, Treasury’s most recent Report to Congress on International Economic and Exchange Rate Policies clearly states that progress made in 2013 towards appreciation was reversed in the early months of 2014 as the yuan depreciated by “marked” 2.68 percent. It appears we take one step forward, only to take two backwards.

It is time for decisive action. Sixty members of the Senate are on the record demanding currency provisions in the Trans-Pacific Partnership (TPP). Despite overwhelming bipartisan support, efforts to address this issue by both this Administration and the previous Administration have proved insignificant. In testimony before the Senate Finance Committee on May 1, 2014, Ambassador Michael Froman clarified the Administration’s position in stating that the topic has not been raised during negotiations.

We understand that the issue rests with Treasury. As such, we would like to make clear that without inclusion of strong and enforceable currency manipulation disciplines in any future trade agreement, the President’s trade agenda, including the passage of the TPP, is in jeopardy. Therefore, we urge you to use this week’s S&ED to demand clear and measurable policies to address currency undervaluation that can serve as a template for TPP and other agreements.

Sincerely,

Robert P. Casey, Jr.  
United States Senator  

Charles E. Schumer  
United States Senator