United States Senate
WASHINGTON, DC 20510

August 4, 2010

President Barack Obama
The White House
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20500

Dear President Obama:

We are looking forward to the release of the National Export Initiative this September, as outlined in Executive Order 13534. We support the goal to double exports in the next five years, and are committed to working with the Administration and the private sector to achieve that goal.

Nevertheless, the focus on growing exports must not and cannot come at the expense of ensuring a fair playing field for our manufacturers. American manufacturers – forced to compete against the predatory practices of one of our major trading partners – are struggling to stay solvent. And, to state the obvious, we need a strong, healthy manufacturing sector if we truly hope to achieve our goal of doubling exports in the next five years.

Although we recognize and appreciate the approach that the Administration has taken on some trade enforcement problems, it continues to fall short in addressing China's currency practices and other predatory actions. We believe that this is due, in part, by the Department of Commerce's unwillingness to use the trade enforcement authorities and tools it has readily available to defend American manufacturers and workers against unfairly subsidized imports. There is no doubt that the Chinese government is manipulating its currency to keep its value lower than it otherwise would be, which gives its exports a significant price advantage over U.S. manufactured goods.

We believe that a vital component of an export and jobs expansion strategy is a trade agenda that places as much priority on combating unfair trade practices as on obtaining commitments to open foreign markets to American goods and services. Imports are now surging into the U.S. – they are growing much faster than exports – and failure to address those that receive foreign subsidies or benefit from currency manipulation undermine the nation's export and economic objectives.

An effective strategy to enforce trade commitments includes steps to combat currency manipulation, the evasion of trade remedy duties, and foreign non-tariff trade barriers. A framework that provides for a balanced approach to trade will enable the Congress to support a comprehensive trade agenda and the key nominees that are required to implement it.

China's actions to subsidize its exports pose both immediate and long-term challenges to American manufacturers and workers still recovering from the economic recession. While we recognize the Chinese government recently allowed its currency to begin to appreciate, the path towards its currency appreciating to a true market-based value remains long. Until that happens, the fair implementation of trade remedy laws is required to provide industries a life-line to compete. If one manufacturer is forced to close because we fail to combat subsidized imports, that is one less manufacturer able to export goods abroad.

The Department of Commerce is continuing to delay consideration of allegations from domestic coated paper producers and aluminum extrusion producers that China's currency manipulation is a countervailable subsidy. This delay is indefensible. The law is straightforward – it requires that the Department initiate an investigation to determine whether a countervailable subsidy is provided if the domestic industry "alleges" the elements necessary for the imposition of a countervailing duty and provides "information reasonably available" to the domestic industry supporting the allegations.

We believe the Department of Commerce has the capability to apply the correct legal standard for assessment of an allegation and has the authority under current law to do so. It is all the more troubling, therefore, that the Department has refused for many months to even investigate the allegations and evidence provided by domestic manufacturers that China's currency practices provide a countervailable subsidy.

During this economic recovery, it is critical the Administration use all trade enforcement tools available to ensure U.S. industries the opportunity to compete fairly and export goods and services. We encourage you to consider whether the Department of Commerce and other federal agencies are doing their part to use the available trade enforcement authorities provided by the Congress to ensure a level playing field for U.S. businesses and the workers upon which they rely. This includes ensuring foreign producers do not evade legitimate anti-dumping and countervailing duties.

We are eager to work with you to address these issues and to move forward with trade policies that promote exports, long-term economic growth and job creation.

Sincerely,

Sherrod Brown
United States Senator

Olympia J. Snowe
United States Senator

Charles E. Schumer
United States Senator

Debbie Stabenow
United States Senator

Jim Bunning
United States Senator

Arlen Specter
United States Senator

Susan M. Collins
United States Senator

Ron Wyden
United States Senator

Benjamin L. Cardin
United States Senator

Robert P. Casey, Jr
United States Senator

Carl Levin
United States Senator