



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

May 20, 2015

The Honorable Orrin Hatch
United States Senate
104 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Hatch:

After years of work, our country is on the brink of securing agreements that will allow America's farmers, ranchers, and agriculture-related businesses to vastly increase their exports and create tremendous economic growth across the country. Agricultural exports have been a critical driver in the rural economy. Last year, American agricultural exports grew to a record \$152.5 billion, and the past six years represent the strongest in history for U.S. agricultural trade. For many American products, foreign markets now represent more than half of total sales. Trade agreements have been a driving force behind expanded U.S. exports. And, those trade agreements were only possible because our negotiators could speak with one voice and negotiate free and fair trade deals that opened new markets and created new customers for our farmers and ranchers.

This Administration has aggressively confronted currency manipulation, and those efforts are showing real results. For example, China's exchange rate is up nearly 30 percent on a real effective basis over the last five years, and Japan has not intervened in the foreign exchange market for more than three years. The current draft of the Trade Promotion Authority (TPA) already includes a strong currency negotiating objective, and we are committed to continuing to work with Congress on ways to effectively address currency manipulation. As Treasury Secretary Jack Lew noted recently, enacting a TPA currency discipline that requires an enforceable negotiating objective would likely derail our efforts to complete the Trans Pacific Partnership (TPP) and cause us to lose ground on holding countries accountable on currency. The Administration is also concerned about the consequences of an enforceable currency provision in a trade agreement since it could actually hurt the United States. An enforceable currency provision in our trade agreements, the Administration holds, could give our trading partners the power to challenge legitimate U.S. monetary policies needed to ensure strong employment and a healthy, robust economy—an outcome the Administration finds unacceptable.

For these reasons, the Obama Administration cannot support the inclusion of amendment 1299 on TPA. However, the Administration would support your co-sponsored amendment, which would allow us to develop additional mechanisms to hold our trading partners accountable while continuing to ensure meaningful gains in agricultural market access.

TPA is an important tool for trade. Businesses, families, and rural and urban communities alike are depending on Congress to constructively keep this process moving forward. A similar letter is being sent to Senator Ron Wyden.

Sincerely,

A handwritten signature in blue ink that reads "Thomas J. Vilsack". The signature is fluid and cursive, with the first name being the most prominent.

Thomas J. Vilsack
Secretary



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

May 20, 2015

The Honorable Ron Wyden
United States Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

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A handwritten signature in blue ink that reads "Tom J. Vilsack". The signature is written in a cursive, flowing style.

Thomas J. Vilsack
Secretary