

United States Senate

WASHINGTON, DC 20510

February 1, 2019

Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

While we welcome the Trump administration's focus on China's predatory trade practices, we are concerned about recent reports that you may be encouraging the president to accept commitments from China that are unrelated to the underlying problems, such as technology transfer, in the 301 investigation report, as an acceptable outcome in the ongoing negotiations related to the 301 tariffs. We urge you to support a tough approach that demands meaningful, enforceable, verifiable and enduring concessions that address the underlying challenges identified by the section 301 investigation led by the office of the United States Trade Representative (USTR). American jobs, American innovation and long-term American economic influence and prosperity are at stake.

For far too long, American innovators and workers needed a much more aggressive approach toward China. China must stop its abusive practice of technology transfers; it must stop trade and economic espionage that pilfers our intellectual property and know-how; and U.S. companies must be permitted to freely compete in China's markets. To be very clear, any trade agreement that merely addresses the trade balance with China and does not require China to make the permanent structural reforms necessary to remedy the very significant issues identified by the USTR's investigation will be an abject failure. Without structural reforms, this administration's approach to China will have yielded little.

As secretary of the Treasury, you certainly have a keen understanding of the impact of China's rapacious trade tactics on our economy and American jobs. U.S. industries can create good-paying jobs by selling to consumers around the world, but they need intellectual property protection and a level global playing field to compete. China's predatory practices are the biggest threat to these industries and American jobs. As China's economy continues to grow, these problems will only become more difficult to address, compounding the long-term damage to our economy.

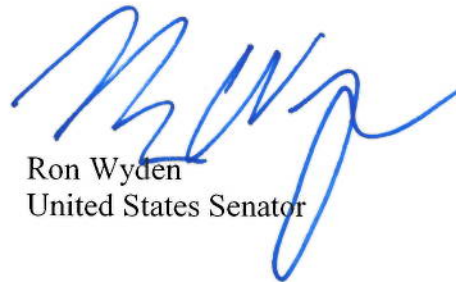
Again, we are very troubled by public reports that you are arguing within the administration to back down on the structural issues and instead accept merely a trade balance recalibration. We

hope you can clarify to us that this is not true. We must have a substantive agreement that is a real victory for the U.S. economy and not merely a pretext for ending the fundamental dispute between our countries on trade matters.

Sincerely,



Charles E. Schumer
United States Senator



Ron Wyden
United States Senator



Sherrod Brown
United States Senator