

EMBARGOED FOR DELIVERY:

Statement by Nathan Sheets
Nominee for Under Secretary of the Treasury for International Affairs
U.S. Senate Committee on Finance
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(As prepared for delivery)

Chairman Wyden, Ranking Member Hatch, and members of the Committee on Finance, thank you for the opportunity to appear before you this morning, as you consider my nomination to serve as Under Secretary of the Treasury for International Affairs.

I am honored that President Obama has nominated me for this position. If confirmed, I look forward to working with Secretary Lew, the Treasury staff, and others in the Administration. I also look forward to working closely with this committee, and with others in Congress, in pursuing international economic policies that advance the interests and well-being of the American people.

The full thrust of my professional career has been focused on international economics and public policy and, I believe, has prepared me to serve in this position of public trust. The bulk of my experience has come as an economist in the Federal Reserve Board's International Finance Division, where I worked for 18 years. Notably, my first major assignment was monitoring developments in Russia and Ukraine, experience that has proved remarkably helpful in recent months. In subsequent assignments, I covered Japan, the emerging-market economies (including China), U.S. trade and current account issues, and the evolving outlook for global growth. I also served in the U.S. Executive Director's office at the IMF, where I became acquainted with the Fund from the inside.

In September 2007, as the global financial crisis erupted, I was appointed Director of the Federal Reserve Board's International Finance Division. In this role, I managed a large team of analysts and regularly advised the Board and the Federal Open Market Committee (FOMC) on global economic and financial issues. Through the dark days of the crisis, I focused on the rapidly evolving challenges, such as risks to the dollar, financial stability stresses, and tensions emanating from Greece and other vulnerable European countries. I also participated in a full slate of international meetings, including those of the G20, G7, OECD, and Bank for International Settlements. The responsibilities of this position were in many respects parallel to those of the Treasury Under Secretary for International Affairs.

More recently, I complemented my almost two decades of public-sector experience with 2½ years as a Global Economist in the private sector. During this time, I met face to face with hundreds of investors throughout the world. This dialogue has given me a deeper sense of how markets actually function and where risks to our financial system may arise.

Throughout my career, I have developed close working relationships with senior policy officials and market participants in the United States and abroad. It is my conviction that effective

international policymaking is predicated on strong personal relationships and the ability to connect with counterparts. I have experience—honed during the financial crisis—drawing on such relationships to achieve effective international cooperation. Over the years, I have also interacted extensively with the staff in Treasury’s International Affairs Department. Their skills and talents are respected throughout the world. If confirmed, I will draw on their insights, and will seek to manage this extraordinary group of professionals in an effective and strategic manner.

Looking ahead, my sense is that there is still work to be done in implementing the lessons of the global financial crisis. This includes further fortifying our financial sector (and, in the process, working with international counterparts to ensure that they follow suit), advocating strong domestic-demand-led policies in our major trading partners, and preparing our economies to absorb the headwinds associated with shifting demographics.

The number one priority continues to be promoting job creation and boosting U.S. and global growth. The work ahead also includes advancing the President’s trade agenda, which is geared to provide expanded market access for American businesses and workers, while also ensuring that we are able to compete on a level playing field.

Achieving the objectives of promoting job creation and boosting growth will require intensive engagement with Congress, our foreign partners (in both bilateral and multilateral fora), and strong advocacy of the merits of freely floating, transparent, market-determined exchange rates. Progress has been made in recent years, but there nevertheless is much to be done. If confirmed, I look forward to working closely with you in pursuit of these objectives.

I conclude with two brief personal comments. First, I want to reiterate the sense of honor that I feel in being nominated for this position. The list of those who have served in this capacity over the past two decades includes distinguished policymakers and thinkers, whose energy and capacity have motivated me throughout my career. If confirmed, I commit to emulating their professional examples. Second, and most important, I would also like to thank my wife, Kimberly, and our four children for their support in this endeavor. I would not—and could not—be here without their help.

Thank you Chairman Wyden, Ranking Member Hatch, and members of the Committee, for holding today’s hearing to consider my nomination. I would be pleased to answer any questions.