WASHINGTON - The Senate is unlikely to vote on legislation to pressure China to raise the value of its currency until after the November 2 congressional elections, a Democratic senator said on Tuesday.

Senator Sherrod Brown told reporters he saw strong bipartisan support for currency legislation the House of Representatives is to vote on this week. However, it is unlikely the Senate will vote on the bill before lawmakers recess in coming days to go home to campaign, he said.

Many members of Congress believe China deliberately undervalues its currency by as much as 25 percent to 40 percent to give its companies an unfair price advantage.

The House bill deals with that issue by directing the Commerce Department to treat undervalued currencies as an export subsidy.

That opens the door for U.S. companies to seek "countervailing duties" to offset China's currency advantage. However, companies must prove they have been injured, or are threatened with serious injury, by competing imports from China to win the relief.

"I think a majority of senators, including some number of Republicans, understand that China is gaming the currency system and that causes an imbalance trade that we need to fix, Brown, a Senate Banking Committee member, told reporters.

The House bill, unlike many other pieces of legislation, is a "short, readable bill," that is easy to comprehend, Brown said. He said he thought President Barack Obama would "think twice" about vetoing the legislation if it reached his desk.

Obama and his advisers understand the United States will never be able to deal with its $20 billion-a-month trade deficit with China without addressing the currency issue, Brown said after a speech on how to revitalize U.S. manufacturing.

House Democratic leader Steny Hoyer told the same audience lawmakers had worked with the Obama administration to ensure that the currency bill was consistent with World Trade Organization rules.

"We worked to make sure -- the administration and I and others wanted to make sure -- ... that it is WTO compliant. It is not an issue of closing our borders. It is an issue of making the playing field level and fair," Hoyer said.

"By illegally keeping the value of its currency low, China is able to sell its goods in the United States at an artificially low price, which helps put American manufacturers out of work."

The House will vote on the bill on Wednesday, Hoyer told reporters.
A spokeswoman for the U.S. Trade Representative's office declined to say whether the Obama administration thought the bill was consistent with WTO rules.

"We do not typically comment publicly on the WTO-consistency of pending legislation," she said.

(Reporting by Doug Palmer; editing by Mohammad Zargham)