

Congress of the United States

Washington, DC 20515

April 23, 2009

Stop Foreign Currency Misalignment to Promote Economic Recovery *Become an Original Cosponsor of The Currency Reform for Fair Trade Act of 2009*

Dear Colleague:

We intend to introduce bipartisan comprehensive legislation to combat the predatory trade practice of illegal currency misalignment in the very near future. We hope you will take this opportunity to **join us as an original cosponsor**.

Boosting domestic production of goods and services is the quickest way to stop rising unemployment and to put Americans back to work. Illegally subsidized foreign goods, however, displace U.S. goods and prevent the increased U.S. production needed to create more jobs. One of the most harmful of these illegal foreign subsidies is the practice of prolonged currency misalignment.

Foreign countries engage in illegal currency misalignment when they effectively prevent market forces from determining the value of their currency. This practice allows those foreign countries artificially to make their exports cheaper and their imports more expensive in terms of their own currency, thereby putting American goods and services at an unfair competitive disadvantage in all markets. The result is the build-up of large reserves of foreign currencies that can be used to acquire foreign assets with what amounts to "free money." This mercantilist policy not only subverts real free trade but also adds to the massive imbalances that threaten the global system. It must be ended.

For example, China has long engaged in illegal currency misalignment. China's cumulative \$1.4 trillion trade surplus with the United States since 2001 should have had the natural economic effect of raising the value of the Yuan against the dollar to correct the trade imbalance. But by illegally subsidizing its exports through the undervaluation of its currency by 30 percent or more, China distorts the gains from trade, creates barriers to free and fair trade, harms U.S. industries, and has destroyed millions of U.S. jobs.

The Currency Reform for Fair Trade Act of 2009 includes the following primary features:

- **Neutralizes the negative effects of misaligned foreign currency by allowing injured American industries and their workers to seek remedies under current trade laws;**
- **Uses publicly available data and methodologies to determine the misalignment in a transparent way;**
- **Applies a fair and predictable standard for currency misalignment;**
- **Creates an incentive for foreign governments to cease their unfair mercantilist trade practices and a deterrent against similar abuses in the future.**

Our bill, the *Currency Reform for Fair Trade Act of 2009*, would stop illegal currency misalignment. It has been endorsed by the Fair Currency Coalition and is a streamlined version of bills that many of you have cosponsored in previous Congresses: The Chinese Currency Act of 2005, H.R. 1498, introduced in the 109th Congress; The Fair Currency Act of 2007, H.R. 782, introduced in the 110th Congress; and, The Currency Reform for Fair Trade Act of 2007, H.R. 2942, also introduced in the 110th Congress.

Please join us as an original cosponsor of this Act and give our domestic manufacturers the relief they deserve in an effective, bipartisan manner.

If you would like to be a cosponsor to this legislation, please contact Kenneth Moss (Kenneth.Moss@mail.house.gov) in Congressman Ryan's office at 5-5261, or Aric Nesbitt (Aric.Nesbitt@mail.house.gov) in Congressman Murphy's office at 5-2301.

Sincerely,



Tim Ryan
Member of Congress



Tim Murphy
Member of Congress

Fair Currency Supporters

- AFL-CIO Industrial Union Council
- American Corn Growers Association
- American Manufacturing Trade Action Coalition
- American Mold Builders Association
- American Iron and Steel Institute
- Chicagoland Circuit Association
- Coalition for a Prosperous America
- Communications Workers of America (CWA)
- Colorado Springs Manufacturing Task Force
- The Committee on Pipe and Tube Imports
- The Copper & Brass Fabricators Council, Inc.
- EXEL Industrial
- Fair Currency Coalition
- International Association of Machinists (IAM)
- International Brotherhood of Boilermakers (IBB)
- Kansas Cattlemen's Association
- Kansas Farmers Union
- Manufacturers for Fair Trade
- Metal Treating Institute
- Metals Service Center Institute
- National Council of Textile Organizations
- National Farmers Union
- National Tooling and Machining Association
- Nebraska Farmers Union
- Northwest Pennsylvania Chapter, National Tooling and Machining Association
- Nucor Corporation
- Ohio Farmers Union
- Pennsylvania Farmers Union
- Pittsburgh Chapter, National Tooling and Machining Association
- Precision Machined Products Association
- Precision Metalforming Association
- R-CALF
- Rescue American Jobs
- Rocky Mountain Farmers Union
- Rotary Club of Butler, PA
- Society of the Plastics Industry
- South Dakota Stock Growers Association
- Specialty Steel Industry of North America
- Spring Manufacturers Institute
- Steel Dynamics
- Steel Manufacturers Association
- Tooling & Manufacturing Association
- Tooling, Machining and Technologies Association
- U.S. Business and Industry Council
- United Automobile Workers (UAW)
- United States Business & Industry Council
- United States Printed Circuit Alliance
- United Steelworkers (USW)
- Vanadium Producers & Reclaimers Association
- Western Organization of Resource Councils
- Women Involved in Farm Economics
- Wood Machinery Manufacturers of America