



FAIR CURRENCY COALITION

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FCC Statement on New Schumer-Stabenow-Graham Currency Legislation

Washington, DC – The Fair Currency Coalition (FCC), an alliance of industry, agriculture and worker organizations seeking to end the practice of foreign government currency misalignment, welcomes the bipartisan introduction of the Schumer-Stabenow-Graham Currency Exchange Rate Oversight Reform Act of 2010 by U.S. Senators Charles Schumer (D-NY), Debbie Stabenow (D-MI) and Lindsey Graham (R-SC).

Also cosponsoring the legislation are U.S. Senators Evan Bayh (D-IN), Sherrod Brown (D-OH), Sam Brownback (R-KS), Ben Cardin (D-MD), Robert Casey (D-PA), Russ Feingold (D-WI), Kirsten Gillibrand (D-NY), Carl Levin (D-MI), Olympia Snowe (R-ME), Arlen Specter (D-PA), and Jim Webb (D-VA).

“Distortions in the global economy due to foreign government currency misalignment have grown to enormous proportions, causing the loss of millions of American jobs and undermining future economic growth,” said Charles Blum, Executive Director of the FCC. “The introduction of this legislation brings us one step closer to leveling the playing field, increasing domestic production, and putting millions of Americans back to work,” Blum added.

The Currency Exchange Rate Oversight Act of 2010 is intended to reform and enhance the U.S. government’s oversight of foreign government currency practices. The bill would for the first time place meaningful sanctions at the U.S. Department of Treasury’s disposal should negotiations fail to correct currency misalignment. It also modernizes Treasury’s oversight function by de-emphasizing intent in the Department’s semi-annual determination of whether a foreign country is manipulating its currency to gain an unfair competitive advantage in international trade.

Significantly, the proposed Act requires the U.S. Department of Commerce to investigate currency undervaluation as a countervailable subsidy under U.S. trade remedy laws. The FCC believes a countervailing duty remedy is the simplest and most appropriate way to remedy the injurious effects of currency subsidies in a manner consistent with World Trade Organization rules.

“We are encouraged by the features in this legislation that address the historical failings of existing law,” said Blum. “In order for the recovery to be sustained, it is essential that we address illegal export subsidies caused by currency misalignment under our trade remedy laws. We look forward to working with the bill’s sponsors to shorten the timeline for decision, negotiation and remedial action and also reduce the scope of discretion by Treasury and the President in the final bill. The FCC will continue to work vigorously for all legislation that addresses currency misalignment under the countervailing duty law, including the Currency Reform for Fair Trade Act, H.R. 2378/S. 1027 as well as the new Senate bill,” Blum concluded.

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