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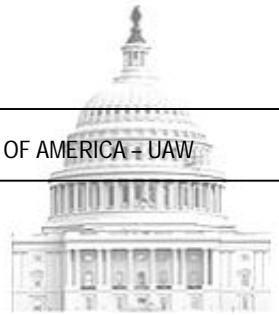
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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BOB KING, President

DENNIS WILLIAMS, Secretary-Treasurer

VICE PRESIDENTS: JOE ASHTON • CINDY ESTRADA • GENERAL HOLIEFIELD • JIMMY SETTLES



IN REPLY REFER TO

November 23, 2010

1757 N STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 828-8500  
FAX (202) 293-3457

Dear Senator:

The UAW urges you to support Senate action on currency reform legislation during the lame-duck session. American workers have been adversely affected by actions taken by foreign governments, including China, Japan, and South Korea, to manipulate their currencies in order to derive unfair competitive advantages in international trade. There is bipartisan support for legislation to address the problem in the Senate, and the House of Representatives passed HR 2378, the Currency Reform for Fair Trade Act, earlier this year by an overwhelming 348-79 margin.

Currency manipulation has caused American businesses to lose export opportunities and American workers to lose their jobs because of artificially competitive and underpriced imports. Korea's currency, for example, is estimated to be undervalued by approximately 15 percent. The Chinese renminbi is estimated to be undervalued by at least 25 percent. Nobel laureate Paul Krugman estimates that ending currency manipulation would dramatically increase American exports and stimulate the U.S. economy by nearly \$200 billion. The Peterson Institute calculates that a 25 to 40 percent reevaluation of the renminbi would reduce the U.S. trade deficit by between \$100 billion and \$150 billion per year. The Economic Policy Institute (EPI) concludes that China's currency manipulation resulted in the loss of at least one million American jobs between 2001 and 2008.

Strong currency reform legislation would also allow the U.S. Department of Commerce to find currency manipulation as an export subsidy not specifically limited to specific industries in circumstances of export. Such practices are compatible with both U.S. international trade law and World Trade Organization disciplines. Taking strong action to end currency manipulation would generate jobs and investment in the U.S. economy at a time when the recovery remains fragile. Such action would also encourage our trading partners to seek broader solutions to global economic problems.

According we urge you to support lame duck action on currency reform legislation. Thank you for considering our views on this important issue.

Sincerely,

Barbara Somson  
Legislative Director  
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