II

109TH CONGRESS
1ST SESSION

S. 1048

To amend the Exchange Rates and International Economic Policy Coordination Act of 1988 to clarify the definition of manipulation with respect to currency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 17, 2005

Mr. SCHUMER (for himself, Mr. GRAHAM, Ms. STABENOW, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To amend the Exchange Rates and International Economic Policy Coordination Act of 1988 to clarify the definition of manipulation with respect to currency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS RELATING TO INTERNATIONAL FINANCIAL POLICY.

(a) BILATERAL NEGOTIATIONS.—Section 3004(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5304(b)) is amended in the second sentence by striking ''(1) have material global account surpluses; and (2)''.

(b) DEFINITION OF MANIPULATION.—Section 3006 of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5306) is amended by adding at the end the following:

''(3) MANIPULATION OF RATE OF EXCHANGE.—For purposes of this Act, a country shall be considered to be manipulating the rate of exchange between its currency and the United States dollar if there is a protracted large-scale intervention in one direction in the exchange markets.''.

(c) REPORT.—Section 3005(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5305(b)) is amended—

(1) by striking ''and'' at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting ''; and''; and

(3) by adding at the end the following:

''(9) a detailed explanation of the test the Secretary uses to determine whether or not a country is manipulating the rate of exchange between that country's currency and the dollar for purposes of preventing effective balance of payments adjustments or gaining an unfair advantage in international trade.''.

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