

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 984

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.

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## IN THE SENATE OF THE UNITED STATES

MAY 10, 2005

Ms. SNOWE 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.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fair Currency Prac-  
5       tices Act of 2005”.

1 **SEC. 2. AMENDMENTS RELATING TO INTERNATIONAL FI-**  
2 **NANCIAL POLICY.**

3 (a) BILATERAL NEGOTIATIONS.—Section 3004(b) of  
4 the Exchange Rates and International Economic Policy  
5 Coordination Act of 1988 (22 U.S.C. 5304(b)) is amended  
6 in the second sentence by striking “and (2)” and inserting  
7 “or (2)”.

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

12 “(3) MANIPULATION OF RATE OF EXCHANGE.—  
13 For purposes of this Act, a country shall be consid-  
14 ered to be manipulating the rate of exchange be-  
15 tween its currency and the United States dollar if  
16 there is a protracted large-scale intervention in one  
17 direction in the exchange markets. The Secretary  
18 may find that a country is manipulating the rate of  
19 exchange based on any other factor or combination  
20 of factors.”.

21 (c) REPORT.—Not later than 90 days after the date  
22 of enactment of this Act, the Secretary of the Treasury  
23 shall undertake an examination, and submit a report to  
24 Congress, regarding the trade surplus of the People’s Re-  
25 public of China. The Secretary shall examine why the  
26 trade surplus with the United States and other countries

1 reported by the People's Republic of China differs from  
2 the trade surplus reported by the other countries. The re-  
3 port shall also quantify the differences between the trade  
4 surplus reported by the United States and other countries  
5 and what is reported by the People's Republic of China.

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