

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.

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## 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.

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. AMENDMENTS RELATING TO INTERNATIONAL**  
4       **FINANCIAL POLICY.**

5       (a) BILATERAL NEGOTIATIONS.—Section 3004(b) of  
6 the Exchange Rates and International Economic Policy  
7 Coordination Act of 1988 (22 U.S.C. 5304(b)) is amended

1 in the second sentence by striking “(1) have material glob-  
2 al account surpluses; and (2)”.

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

7 “(3) MANIPULATION OF RATE OF EXCHANGE.—  
8 For purposes of this Act, a country shall be consid-  
9 ered to be manipulating the rate of exchange be-  
10 tween its currency and the United States dollar if  
11 there is a protracted large-scale intervention in one  
12 direction in the exchange markets.”.

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

16 (1) by striking “and” at the end of paragraph  
17 (7);

18 (2) by striking the period at the end of para-  
19 graph (8) and inserting “; and”; and

20 (3) by adding at the end the following:

21 “(9) a detailed explanation of the test the Sec-  
22 retary uses to determine whether or not a country  
23 is manipulating the rate of exchange between that  
24 country’s currency and the dollar for purposes of  
25 preventing effective balance of payments adjust-

- 1       ments or gaining an unfair advantage in inter-
- 2       national trade.”.

