AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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LEGISLATIVE**ALERT**

May 22, 2015

Dear Senator:

On behalf of the AFL-CIO, I am writing to express our support for the bipartisan Portman-Stabenow amendment on currency (S.A. 1299). This important amendment would make enforceable rules on currency a principal negotiating objective in the Fast Track Trade Promotion Authority bill. We also urge you to oppose any amendments that would weaken this language.

Currency manipulation has cost America as many as 5 million jobs, devastating many manufacturing communities. This unfair practice distorts the global economy and disadvantages countries—like the United States—that comply with international trade rules. These illegal actions have cost far too many jobs over the past several years.

As a result, there continues to be strong bipartisan support for action on currency manipulation in both the House and Senate. We need to ensure that there are strong, enforceable currency mechanisms in U.S.-negotiated trade agreements—especially the Trans-Pacific Partnership (TPP), which includes countries that have engaged in such manipulation to boost exports.

This amendment would begin the process of ensuring the U.S. has the tools to address and end destructive currency manipulation by potential FTA partners. The Portman-Stabenow amendment, while an important step, is not by itself sufficient. Congress should also work on bolstering this amendment with legislation, such as “The Currency Undervaluation Investigation Act” (S. 433), which is also critical to creating and retaining good manufacturing jobs in America. Workers cannot afford another trade agreement whose potential benefits can be wiped away by currency manipulation. This objective makes clear that this issue must be dealt with and that any trade agreement, to receive fast track consideration, must have effective currency disciplines, subject to dispute resolution, in the core text.

In addition, we agree that Portman-Stabenow does not put the US in any precarious position regarding monetary policy. This amendment targets direct intervention in exchange markets and specifically excludes interference with how countries conduct monetary policy.

As Paul Volker stated, “Trade is more affected by 10 minutes of movements in exchange rates than by 10 years of trade negotiations.” Failure to address this vital issue in our trade agreements would amount to economic negligence.

This amendment is simply a modest enforcement measure that would direct the Administration to conduct negotiations in a manner that will push them closer to getting trade done right. We urge you to support it and oppose any language to weaken it.

Sincerely,

William Samuel, Director
Government Affairs Department