

MOTION TO RECOMMIT

_____ moves to recommit the bill H.R. 3078 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

At the end of the bill, add the following:

1 **TITLE VII—CURRENCY REFORM**
2 **FOR FAIR TRADE ACT**

3 **SEC. 701. SHORT TITLE.**

4 This title may be cited as the “Currency Reform for
5 Fair Trade Act”.

6 **SEC. 702. CLARIFICATION REGARDING DEFINITION OF**
7 **COUNTERAVAILABLE SUBSIDY.**

8 (a) **BENEFIT CONFERRED.**—Section 771(5)(E) of
9 the Tariff Act of 1930 (19 U.S.C. 1677(5)(E)) is amend-
10 ed—

11 (1) in clause (iii), by striking “and” at the end;

12 (2) in clause (iv), by striking the period at the
13 end and inserting “, and”; and

14 (3) by inserting after clause (iv) the following
15 new clause:

1 “(v) in the case in which the currency
2 of a country in which the subject merchan-
3 dise is produced is exchanged for foreign
4 currency obtained from export trans-
5 actions, and the currency of such country
6 is a fundamentally undervalued currency,
7 as defined in paragraph (37), the dif-
8 ference between the amount of the cur-
9 rency of such country provided and the
10 amount of the currency of such country
11 that would have been provided if the real
12 effective exchange rate of the currency of
13 such country were not undervalued, as de-
14 termined pursuant to paragraph (38).”.

15 (b) EXPORT SUBSIDY.—Section 771(5A)(B) of the
16 Tariff Act of 1930 (19 U.S.C. 1677(5A)(B)) is amended
17 by adding at the end the following new sentence: “In the
18 case of a subsidy relating to a fundamentally undervalued
19 currency, the fact that the subsidy may also be provided
20 in circumstances not involving export shall not, for that
21 reason alone, mean that the subsidy cannot be considered
22 contingent upon export performance.”.

23 (c) DEFINITION OF FUNDAMENTALLY UNDER-
24 VALUED CURRENCY.—Section 771 of the Tariff Act of

1 1930 (19 U.S.C. 1677) is amended by adding at the end
2 the following new paragraph:

3 “(37) FUNDAMENTALLY UNDERVALUED CUR-
4 RENCY.—The administering authority shall deter-
5 mine that the currency of a country in which the
6 subject merchandise is produced is a ‘fundamentally
7 undervalued currency’ if—

8 “(A) the government of the country (in-
9 cluding any public entity within the territory of
10 the country) engages in protracted, large-scale
11 intervention in one or more foreign exchange
12 markets during part or all of the 18-month pe-
13 riod that represents the most recent 18 months
14 for which the information required under para-
15 graph (38) is reasonably available, but that
16 does not include any period of time later than
17 the final month in the period of investigation or
18 the period of review, as applicable;

19 “(B) the real effective exchange rate of the
20 currency is undervalued by at least 5 percent,
21 on average and as calculated under paragraph
22 (38), relative to the equilibrium real effective
23 exchange rate for the country’s currency during
24 the 18-month period;

1 “(C) during the 18-month period, the
2 country has experienced significant and per-
3 sistent global current account surpluses; and

4 “(D) during the 18-month period, the for-
5 eign asset reserves held by the government of
6 the country exceed—

7 “(i) the amount necessary to repay all
8 debt obligations of the government falling
9 due within the coming 12 months;

10 “(ii) 20 percent of the country’s
11 money supply, using standard measures of
12 M2; and

13 “(iii) the value of the country’s im-
14 ports during the previous 4 months.”.

15 (d) DEFINITION OF REAL EFFECTIVE EXCHANGE
16 RATE UNDERVALUATION.—Section 771 of the Tariff Act
17 of 1930 (19 U.S.C. 1677), as amended by subsection (c)
18 of this section, is further amended by adding at the end
19 the following new paragraph:

20 “(38) REAL EFFECTIVE EXCHANGE RATE
21 UNDERVALUATION.—The calculation of real effective
22 exchange rate undervaluation, for purposes of para-
23 graph (5)(E)(v) and paragraph (37), shall—

24 “(A)(i) rely upon, and where appropriate
25 be the simple average of, the results yielded

1 from application of the approaches described in
2 the guidelines of the International Monetary
3 Fund's Consultative Group on Exchange Rate
4 Issues; or

5 “(ii) if the guidelines of the International
6 Monetary Fund's Consultative Group on Ex-
7 change Rate Issues are not available, be based
8 on generally accepted economic and econometric
9 techniques and methodologies to measure the
10 level of undervaluation;

11 “(B) rely upon data that are publicly avail-
12 able, reliable, and compiled and maintained by
13 the International Monetary Fund or, if the
14 International Monetary Fund cannot provide
15 the data, by other international organizations or
16 by national governments; and

17 “(C) use inflation-adjusted, trade-weighted
18 exchange rates.”.

19 **SEC. 703. REPORT ON IMPLEMENTATION OF TITLE.**

20 (a) IN GENERAL.—Not later than 9 months after the
21 date of the enactment of this Act, the Comptroller General
22 of the United States shall submit to Congress a report
23 on the implementation of the amendments made by this
24 title.

1 (b) MATTERS TO BE INCLUDED.—The report re-
2 quired by subsection (a) shall include a description of the
3 extent to which United States industries that have been
4 materially injured by reason of imports of subject mer-
5 chandise produced in foreign countries with fundamentally
6 undervalued currencies have received relief under title VII
7 of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.), as
8 amended by this title.

9 **SEC. 704. APPLICATION TO GOODS FROM CANADA AND**
10 **MEXICO.**

11 Pursuant to article 1902 of the North American Free
12 Trade Agreement and section 408 of the North American
13 Free Trade Agreement Implementation Act of 1993 (19
14 U.S.C. 3438), the amendments made by section 702 of
15 this Act shall apply to goods from Canada and Mexico.

Amend the title so as to read: “A bill to implement
the United States–Colombia Trade Promotion Agree-
ment, and for other purposes.”.

