



INTERNATIONAL FEDERATION OF
PROFESSIONAL & TECHNICAL ENGINEERS
AFL-CIO & CLC

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October 3, 2011

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Dear Senator,

I am writing regarding today's cloture vote on S 1619, *The Currency Exchange Rate Oversight Reform Act of 2011*. As President of the International Federation of Professional and Technical Engineers (IFPTE), AFL-CIO, I urge you to vote in support of cloture, and later in support of the underlying bill.

American workers continue to suffer as a result of China's insistence to significantly undervalue their currency. Of course this is not a new problem, but it is a festering one that continues to threaten both American manufacturing workers and businesses. The Chinese have maintained a policy for many years to undervalue their currency by as much as 40% compared to the dollar. This undervaluation strategy effectively boosts Chinese exports while resulting in underpriced Chinese imports to US markets. At the same time, the devaluation essentially imposes a hidden tariff on exports by US businesses. This benefits China by significantly increasing their market share as well as creating more jobs there.

Looking at this issue strictly from a jobs perspective, the Economic Policy Institute (EPI) has found that since China's entry into the World Trade Organization in 2001, Chinese currency manipulation and liberal trade policies have resulted in the loss of at least 1.9 million American jobs. More recently, in the June 2011 EPI Report, *The Benefits of Currency Revaluation*, EPI found that "full revaluation of the yuan and other undervalued Asian currencies would improve the U.S. current account balance by up to \$190.5 billion, increasing U.S. GDP by as much as \$285.7 billion, **adding up to 2.25 million U.S. jobs over the next 18-to-24 months**, and reducing the federal budget deficit by up to \$857 billion over 10 years." This all at no cost to US taxpayers.

This bill is a simple, but badly needed fix to this crisis. The legislation aims to put in place strict and enforceable penalties for nations that fail to eliminate currency manipulation, and give U.S. trade laws more flexibility in countering currency manipulation that results in economic hardships to domestic manufactures.

On behalf of IFPTE, I ask that you support S 1619, *The Currency Exchange Rate Oversight Reform Act of 2011*, by voting for both the cloture motion and the underlying bill.

Sincerely,

Gregory J. Junemann,
President