**DOLLAR OVERVALUATION IS NEXT FRONT ON TRADE**

**TRADE DEFICIT CANNOT BE NARROWED WITHOUT ADDRESSING DOLLAR EXCHANGE RATE**

Total tariff penalty from section 201, 232 and 301 tariffs = $68.6B

VS

7.2% appreciation from Jan. 2018 through June 2019

$336B subsidy to all imports

$268.4B tax on all exports

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Total penalty on US trade from dollar appreciation = $604.4B

**THEREFORE:** Dollar appreciation penalty on US is **nearly 8.8 times greater** than the total tariff penalty on imports. This is why the US trade deficit continues to worsen.

**SOLUTION:** Realign the dollar exchange rate to achieve a current account balancing price.

**RESULT:** 2018 trade deficit rose another 14%, killing jobs and growth. 2019 trade deficit expected to deteriorate further.

Each 1% dollar appreciation has a $56.4B negative trade impact ($24.7B penalty on exports + $31.7B import subsidy)

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**US Dollar Trade Weighted Index (TWEXB)**

January 2018 Through June 2019

USD Appreciated 7.2%
Spurring job creation, economic growth and increased wages

Excessive capital inflows from surplus nations drive the dollar price too high

Result: US is the primary importer of global overproduction

CPA Economic Model Shows:

27% Adjustment in Dollar Value Would Balance Trade and Deliver Massive Economic Benefits

<table>
<thead>
<tr>
<th>JOB CREATION</th>
<th>GDP GROWTH</th>
<th>JOB QUALITY IMPROVES</th>
<th>AGRICULTURE BENEFITS</th>
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<tbody>
<tr>
<td>5.2M additional jobs</td>
<td>Annual growth increases by 74% (2.84% vs 1.63%)</td>
<td>Job growth concentrated in goods producing industries</td>
<td>Commodity prices and exports surge</td>
</tr>
</tbody>
</table>

Solution: Market Access Charge - small variable charge on foreign capital inflows to gently adjust the dollar price to a competitive level.