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June 17, 2020

## Wyden Statement at Finance Committee Hearing on Trump's 2020 Trade Policy Agenda <u>As Prepared for Delivery</u>

This is our fourth annual hearing on the Trump trade agenda, which means it's the fourth time the committee will hear a familiar old routine about Trump getting tough on China and protecting American jobs everywhere. The president cracking down once and for all, big changes right around the corner, an American economy on the brink of transformation. It's been three and a half years of those big promises. What are the results?

The Phase One deal the president called "the biggest deal there is anywhere in the world by far..." is already coming apart, with China falling behind on commitments.

According to an analysis by the Peterson Institute looking at the first four months of the deal, China's purchases of U.S. manufactured goods were at 56 percent of the target level set by the Phase One deal. China's purchases of U.S. agricultural goods were at 38 percent.

The president said he'd stop the overproduction of steel in China that has wiped out so many steel jobs here in the U.S. But mills in China are producing steel at record levels – up 6.6 percent in 2018 and 8.3 percent in 2019.

The president said he'd fix the most damaging ripoffs that target American innovation and jobs. But when it comes to IP theft or forced technology transfers, the Phase One deal recycled existing law and repeated the same promises China has broken many times before.

According to the Economic Policy Institute, the U.S. has lost 3.7 million jobs to China in the last two decades – three quarters of them in manufacturing. Donald Trump has not meaningfully changed ANY of the conditions that allowed that to happen. His biggest accomplishment is proving that nobody's better at hyping up a record of consistent mediocrity like Donald Trump.

Bottom line, the status quo under this president is good for China, and the Chinese government is reportedly interested in maintaining it.

Now let's turn to the new NAFTA. Ambassador Lighthizer and I long agreed that NAFTA needed a major overhaul. It wasn't built for a digital economy, and it wasn't strong enough on enforcement to protect American workers. When the Trump administration first brought its renegotiated deal to the Congress, it made progress on digital trade, but it didn't go nearly far enough to protect family-wage jobs and workers with tough rules on labor and environmental protection. In fact, the old, broken down system of enforcement from the old NAFTA was still a part of the Trump administration's new NAFTA. That meant that all of the president's boasting about getting a great deal for workers was more of the same old happy talk on trade.

Democrats in the Senate and the House said that was unacceptable and got down to work improving those areas where the administration's deal fell short. Senator Brown and I worked with our colleagues to develop a faster, more aggressive approach to labor enforcement so that American workers won't have to spend years waiting for action against trade cheats. Ambassador Lighthizer helped us get it done, and now the deal is set to go into effect in two weeks.

But the start of the new deal means the work is just getting started. Most critically, I have major concerns about Mexico's ability to stay on track with implementing the labor obligations, and with our ability to monitor and enforce them. The administration absolutely must hit the ground running on enforcement on day one.

There are a few other areas where American businesses, producers and workers need more information and more certainty as the agreement goes into effect. Our dairy farmers need to know that their products won't face unfair discrimination by Canada and Mexico. American innovators need assurances that Mexico will make changes it promised to its intellectual property laws. Finally, American automakers need to know how USTR and the Department of Labor will apply the auto "rules of origin," which impact their supply chains and their ability to qualify for tariff benefits.

The reality is, the new NAFTA made real progress on several key issues, and that's why it got overwhelming support from this committee and the Senate.

That progress can be undone if the administration fails to enforce the deal – particularly using the enforcement tools the Congress created to protect American jobs. This committee will keep a close watch on these issues in the weeks and months ahead.

With that, let me thank Ambassador Lighthizer for joining the committee today. I know I'm not the only Democrat on this committee who's grateful for his outreach and all his work on a bipartisan basis over the last few years. Questions and answers with Bob Lighthizer are never dull.

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