

The **UNITED STATES SENATE**  
**COMMITTEE** *on* **FINANCE**  
CHAIRMAN RON **WYDEN**, D-OREGON

[www.finance.senate.gov](http://www.finance.senate.gov) | @SenateFinance



FOR IMMEDIATE RELEASE

July 27, 2021

Contact: [Keith Chu](#) (202) 224-4515

**Wyden Statement at Finance Committee Hearing on USMCA Implementation and Enforcement**  
*As Prepared for Delivery*

Colleagues, we got some tragic news last night. Former Senator Enzi, who served on the Finance Committee with many of us, passed away yesterday. When he served with us in the Senate, Mike Enzi advocated for what he called the 80% rule which urged senators to find common ground on the 80% of the issues we agreed on and not the 20% we disagreed on. It's sound advice and I hope we'll remember Mike's 80% rule as we work together on this committee and in the Senate for the American people. I would like to offer my sincere condolences to Mike's family and friends, Senator Barrasso and his colleagues in the Wyoming delegation.

When a youngster turns one, they get a birthday party. When a trade agreement turns one, it gets an oversight hearing in the Senate Finance Committee. The committee meets to discuss USMCA today.

I'll begin with the timeline of the USMCA. Three years ago, the Trump administration agreed to a NAFTA rewrite that was too weak on key issues to pass. Democrats got down to work improving it.

USMCA became the strongest trade agreement ever for worker rights, for environmental protections, and for enforcement overall. Congress passed it in early 2020. Then it was up to the Trump administration to implement the agreement – and enforce, enforce, enforce – because countries don't comply with trade agreements by osmosis. You have to hold them to their commitments. You ought to do that when the U.S. holds the most leverage, which is before an agreement enters into effect.

That's why Senator Grassley and I strongly urged the Trump administration not to rush the process, but the Trump administration just would not listen. It was the middle of an election year, and they decided the cake was baked before it was ready to come out of the oven. Only a few months were given to implement the agreement – not nearly enough time to protect American workers and businesses by holding Canada and Mexico to their commitments.

Now it's up to the Biden administration to clean up the messes the Trump administration left behind. For example, Canada has unfairly blocked American dairy products for decades. Under USMCA, Canada agreed to give our dairy products more access to the Canadian market.

Canada then undermined that commitment with new regulatory barriers before USMCA went officially into effect last July. The Trump administration barely lifted a finger to do anything about it. Now the Biden administration will have to work to make sure our dairy farmers have the access they were promised.

Another example: Mexico made commitments to improve the rights and conditions for its workers, but it's moving too slowly on the implementation of key reforms to its labor laws. To enforce some of those commitments, the Biden administration has had to act using what's called the new "rapid response mechanism" that Senator Brown and I created. That's an important tool, but the previous administration should have done more to push Mexico to raise the bar for labor rights prior to last summer. That would have helped to protect more American workers.

With the Trump administration looking weak on trade enforcement, it's no surprise that Canada and Mexico issued new laws and regulations that were inconsistent with USMCA, even walking back some of their core commitments. For instance, Mexico is refusing to approve innovative American agricultural products including corn and soybeans without any scientific justification.

It's also threatening to ban agricultural products that have previously been approved. Ambassador Tai and the administration are working to knock down those barriers as soon as possible.

Another example: Canada is joining a list of countries that are unfairly targeting and discriminating against innovative American employers with digital services taxes. These taxes are unfair digital daggers that are knifing American firms. It's a big setback to our trade relationship with Canada that goes against the spirit of USMCA and the global minimum tax agreement that's in the works. I hope the Canadian government changes course on this issue, otherwise the U.S. will need to consider all options for its response.

So there's a lot for the committee to talk about today regarding USMCA. I come from a state where one out of four jobs revolves around international trade. Oregonians know how to grow things and design things, add value to them, and ship them to Oregon lovers around the world.

In Oregon, we talk about getting trade done right as a way to protect our workers and create high-wage, high-skill jobs. It means raising the bar on issues like labor and environmental protections. It means vigorous enforcement. It means never cutting corners the way the previous administration did on USMCA. Fortunately the Biden administration has already begun addressing all these outstanding issues so that USMCA lives up to its promise.

There are still a lot of challenges ahead. I want to thank our witness panel for joining the committee today, and I look forward to Q&A.

###