OPEN EXECUTIVE SESSION TO CONSIDER H.R. 5430, THE
UNITED STATES-MEXICO-CANADA AGREEMENT IMPLEMENTATION
ACT
TUESDAY, JANUARY 7, 2020
U.S. Senate,
Committee on Finance,
Washington, DC.

The hearing was convened, pursuant to notice, at
9:30 a.m., in Room SD-215, Dirksen Senate Office
Building, Hon. Chuck Grassley (chairman of the
committee) presiding.

Present: Senators Roberts, Thune, Cassidy,
Lankford, Daines, Young, Portman, Crapo, Enzi, Cornyn,
Toomey, Scott, Sasse, Wyden, Stabenow, Cantwell,
Menendez, Carper, Brown, Bennet, Casey, Warner,
Whitehouse, Hassan, and Cortez Masto.

Also present: Republican staff: Kolan Davis, Staff
Director; Nasim Fussell, Chief International Trade
Counsel; Rory Heslington, International Trade Policy
Advisor; Grace Kim, Detailee; Mayur Patel, International
Trade Counsel; and Jeffrey Wrase, Deputy Staff Director
and Chief Economist. Democratic staff: Michael Evans,
Deputy Staff Director and Chief Counsel; Sally Laing,
Senior International Trade Counsel; Virginia Lenahan,
International Trade Counsel; Greta Peisch, Senior
International Trade Counsel; Joshua Sheinkman, Staff
Director; and Jayme White, Chief Advisor for
International Competitiveness and Innovation.
Non-designated staff: Jewel Harper, Deputy Clerk;
Joshua LeVasseur, Chief Clerk and Historian; and Athena
Schritz, Hearing Clerk.
OPENING STATEMENT OF HON. CHUCK GRASSLEY, A U.S. SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE

The Chairman. I would like to call the committee to order. We are meeting today to consider H.R. 5430, the United States-Mexico-Canada Agreement Implementation Act.

And Senator Sasse is not here, but he is a new member of the committee, so I would like to welcome Senator Sasse to the committee. He is joining the committee on one of the most important pieces of legislation we can do this year, and I am glad to have Senator Sasse as a new member of the committee.

On December 13th, 2019, the Senate received, or the House of Representatives received the bill to implement the USMCA Agreement. Under Fast Track Rules, the committee cannot amend the bill. We will vote today only on whether to report the bill.

Before we vote, Senators who wish to make statements may do so. In the interest of time, I ask that the statements be limited to three minutes. And I know that my staff has had a discussion with everybody’s staff about that. I hope that that will be satisfactory to the members. We do have a vote scheduled at 12:15, so I think it is important that we get this done this
morning. I think we can.

After statements, I am going to introduce staff and administration officials here to provide an overview of the bill and answer any questions, and we will then vote on the bill.

President Trump promised to deliver a strong, updated trade agreement with Canada and Mexico that would reflect the realities of the 21st century. He made this an issue in his campaign, so I suppose this has been an issue that has been around now for more than three years.

He promised that it would command broad support, and I think President Trump has delivered. The House of Representatives voted overwhelmingly and in a bipartisan way for support of the USMCA bill. Now the Senate must act.

I am confident that this bill is going to make it to the President’s desk, and I would like to express a few reasons why I think that way.

USMCA will bring much-needed certainty and real benefits to America’s farmers, workers, and businesses. Farmers are getting better and more reliable market access, which farmers badly need. Workers will see thousands of new jobs, particularly in high-wage manufacturing industries. Businesses will have an
agreement that reflects the realities of modern commerce, including for the $1.3 trillion U.S. digital economy.

USMCA corrects the enforcement flaws that very much plagued NAFTA and ensures that the parties will be held accountable to their commitments.

The USMCA has the support of hundreds of organizations representing a wide range of the economy: agriculture groups, business groups, and labor groups. I would like to enter into the record a non-exhaustive list of representatives of this support, and I will do that without objection.

[The list appears at the end of the transcript.]

The road that we traveled to arrive at this meeting today tested my patience at times. As an example, taking three or four months to get the President to remove steel and aluminum tariffs. I do not know how many White House meetings I attended where that was an issue, and I kind of got tired of hearing the words “I like tariffs.”

And there are some aspects of this bill that I do not particularly like. But as I reflect on how we got here I am proud of the hard work of many individuals that made it possible to achieve a strong agreement and a bill that could garner broad support. And I would put
at the top of that list the hard work that Ambassador
Lighthizer put into it.

The bill before us today has something in it for
everyone, and it is not often that we can say that about
an implementing bill.

I ask my colleagues to vote with me to favorably
report the bill, because I would like to get this to the
President’s desk.

Senator Wyden?
Senator Wyden. Thank you very much, Mr. Chairman, and Happy New Year to all and I look forward to working with all our colleagues. I have been trying to touch base with Senator Sasse and I look forward to having him here.

This morning the Finance Committee kicks off 2020 with the new NAFTA. The last few years have delivered one trade gut punch after another to America’s exporters, particularly our farmers and our manufacturers.

It began when then-presidential candidate Trump talked about pulling the United States out of NAFTA, and that set the tone that has been followed by the administration, driving away a number of our traditional economic allies. Three years of chaos -- trade chaos -- has hurt investment in America and caused farm bankruptcies to surge. Many foreign markets are more closed off to American exports today than they were on the day that the President took office.

The Finance Committee now has an opportunity to provide a real measure of certainty and predictability to Americans who want to grow things here, who want to
make things here, add value to them here, and ship those products around the world. That is what is on offer this morning. The new NAFTA makes two key changes to our approach to trade that I am going to address briefly.

First, on the enforcement issue. Year after year, decade after decade, presidents and lawmakers of both political parties have paid lip service to the importance of enforcing trade laws. But all along, what this country did on enforcement was just too weak. It did not have any teeth. And it was too slow to protect American jobs from trade cheats. In my view, workers saw through all this lip service a long time ago.

When the Trump administration sent up the first version of the new NAFTA agreement, it sure just looked like more of the status quo. It did not cut it. The language that they offered on enforcement basically did not enforce anything. It was just pretty much business as usual.

So I, as ranking Democrat on this side, reached out to our colleague from Ohio, Senator Brown, who has been a crusader for tough labor law enforcement as long as anybody in public life. We said we were going to fix it. And Senator Brown and I reached out to many of you, and many of us on this side contributed to the
enforcement package.

We talked to many on the other side, and Senator Brown and I developed a proposal that is all about putting more power directly in the hands of American workers and American businesses so they can fight back when they are getting ripped off by trade cheats. And it responds to what we actually heard in our communities.

It is a whole lot faster than what we had before. It is a whole lot stronger than what we had before. And what Senator Brown and I came up with is about putting trade enforcement boots on the ground and helping to identify when factories in Mexico violate labor rules. Then our country can penalize the violators and protect the American jobs they tried to undercut.

The enforcement process will take a fraction of the time it has in the past. No more forcing American businesses and workers to wait around for what seems like eons while trade cheats rip them off.

So after Senator Brown and I did that, we took our proposal over to our colleagues in the House and we made it clear we wanted to work with them. We wanted input support. And after we did that, we went to the Trump administration and said: If you want our support on the new NAFTA, you have got to build on the tough trade
enforcement proposal that we have been suggesting. We said, this is a prerequisite, that tough trade law enforcement is a prerequisite to getting NAFTA done right.

So when you combine this all-in approach on enforcement with new commitments on labor rights and environment, you also shut down the corporate race to the bottom on cheap wages and lax standards. It is about raising everybody else to our standards, and taking action when they fall short.

So I especially want to thank Senator Brown -- I am sure we will hear from him -- for his leadership. And let me make clear that, while he and I have our names on this enforcement package, I can look right down the row, literally, to Senator Carper, Senator Bennet, every one of these colleagues contributed to this package. And I know a number of Republicans have an interest in these issues, as well.

I want to wrap up with some comments with respect to something nobody talked about when the first NAFTA came up. And that is technology and digital trade. Digital trade was not a part of the original NAFTA because it basically did not exist when NAFTA was first negotiated.

Everybody in this room carries a smartphone that would have met the definition of a supercomputer back in
the early 1990s. But when it comes to rules regarding digital trade and tech, our trade laws have remained stuck in the mindset of decades ago. That is a problem today because the Internet is now the shipping lane of the 21st Century.

Obviously technology and digital trade are right at the center of our modern economy. They account for millions of good-paying jobs in our country. And most important, technology is woven into just about every major American industry. It is woven into autos. It is woven into manufacturing, health care, farming. You can go one after another. When you talk about fighting for new rules on digital trade, you are talking about creating and protecting red, white, and blue jobs in a whole host of important, good-paying industries.

The new NAFTA will fight back against trade cheats who want to eat the seedcorn of this technological treasure trove, this innovation we have seen in tech. It will do more to protect our intellectual property and protect American companies from being shaken down for their data.

By including established law, colleagues, it will help guarantee that small technology entrepreneurs have a shot at building successful companies in a field now dominated by a small number of goliaths.
On agriculture, new NAFTA helps us send more of our dairy to Canada. More of our wine is going to make it to shelves in stores abroad. It ends harmful discrimination against wheat grown here.

So these are all significant areas of improvement. In my home state, one out of four jobs revolves around trade. The trade jobs often pay better than do the non-trade jobs, and almost all of them are small- and medium-sized.

I want to wrap up with just two very quick points, Mr. Chairman.

First, I think we all ought to thank Ambassador Bob Lighthizer, who I call the hardest working man in the trade agreement business. He has talked with a lot of us on multiple occasions. He is a straight-shooter. You cannot ask for more than that. And, colleagues, I guess that is what you get when you have an alum of the Senate Finance Committee, the former staff director.

I also want to -- I see Senator Sasse. We have been trying to call you, and welcome you. We are glad you are here. And I am going to close with just one last point.

The legislation may be -- this bill we are taking up today -- may be the most significant economic issue the Senate addresses in 2020. Obviously the Senate will
also be holding an impeachment trial in the days ahead. Both of these are extraordinarily important matters that deserve to be addressed by the Senate with utmost seriousness.

The new NAFTA Agreement must not be used as a convenient excuse to shut down any other business before the Senate.

Mr. Chairman, it has been a pleasure to work with you. We have got a lot to do in 2020. I am looking forward to going ahead on our bipartisan health care efforts, for example. So we have got a lot to do in 2020, and I thank you for arranging this morning.

The Chairman. Thank you very much for your cooperation. This is the order of the first four or five that I have on the list here: Mr. Crapo, and then Senator Menendez, Senator Roberts, Senator Carper. So now, Senator Crapo for three minutes.
OPENING STATEMENT OF HON. MIKE CRAPO, A U.S. SENATOR
FROM IDAHO

Senator Crapo. Thank you, Mr. Chairman. I too welcome Senator Sasse to the committee. And I want to thank you, Mr. Chairman, and Senator Wyden, for your hard work on this. I also agree with both of your supportive comments, and I want to thank Ambassador Lighthizer and President Trump for helping us get to this place, as well.

That we are voting today on the US-Mexico-Canada Agreement is welcome news. I have long maintained that the original North America Free Trade Agreement, NAFTA, needed to be renegotiated.

I had concerns with NAFTA because many goods and services originating in the United States received unfair treatment among our trading partners. It also did not provide sufficient market access, nor did it address pricing structures and restrictive trade practices in the dairy industry.

President Trump and U.S. Trade Representative Robert Lighthizer’s forceful negotiations on behalf of America’s farmers and workers fulfills one of the President’s core campaign promises. Many Americans will see the benefits of this updated trade deal with two of
our country’s three largest trading partners.

The Agreement is projected to raise U.S. real GDP by over $66 billion, and create nearly 176,000 jobs. It will expand market access for U.S. farmers with new export opportunities for dairy, poultry, and egg producers.

It addresses long-standing non-tariff barriers that restricted U.S. producers’ ability to export wheat and wine to Canada. By requiring the use of scientific standards, it will prevent food safety and animal or plant measures from being used as protectionist trade restrictions.

It eliminates Canada’s Class 6 and 7 milk ingredient price programs that hindered U.S. exports to third-country markets.

These changes are predicted to increase U.S. dairy exports to Canada by $227 million, and Mexico by $50.6 million. Total annual U.S. agriculture and food exports are expected to increase by $2.2 billion.

These are just a few of the benefits that American business in rural communities stand to gain. Beyond the many improvements in the agricultural sector, USMCA will be the first U.S. free trade agreement with a digital trade chapter, creating a foundation to help spur the development of trade and investment in digital products.
and services. To that end, it will establish
information sharing tools to help more than 120,000
American small- and medium-sized businesses that export
goods and services to Canada and Mexico take advantage
of the USMCA.

I applaud the President’s decision to renegotiate
this pact, and commend the efforts of Ambassador
Lighthizer to get this deal done.

Thank you, Mr. Chairman.

The Chairman. Senator Menendez, for three minutes.
OPENING STATEMENT OF HON. ROBERT MENENDEZ, A U.S. SENATOR FROM NEW JERSEY

Senator Menendez. Thank you, Mr. Chairman.

Back when I served in the House of Representatives, I took a strong stand against NAFTA. I did so because NAFTA lacked strong, enforceable rules to protect workers and ensure that American families actually benefit from trade. I feared NAFTA would only intensify out-sourcing of manufacturing jobs and contribute to stagnant wages for the American middle class. And, unfortunately, I was right.

So I was concerned that USMCA would repeat these same mistakes. But now, thanks to the work of Congressional Democrats, the USMCA includes upgraded rules to protect workers across the Continent. And because of these improvements, I will support this Agreement.

However, this negotiation was not only a chance to right NAFTA’s wrongs, it was an opportunity to lay the foundation for future growth in America’s most competitive industries. Unfortunately, we did not fully seize that opportunity.

I am disappointed that USMCA lacks strong intellectual property protections that promote
innovative jobs in New Jersey and across the country. Future trade agreements must do more to encourage, protect, and reward American innovation.

And finally, we have to be clear-eyed about the oversight that lies ahead of us to make our trade policy work for American families. This implementing bill gives the USTR tremendous leeway to choose whether to enforce certain labor violations. It gives the USTR the power to grant or deny individual automotive companies additional time to comply with the complex rules of origin.

And these are serious concerns. Even beyond USMCA, we have seen the administration’s trade policies sew confusion in other areas -- a threat to put tariffs on Mexico over immigration; unclear criteria for our constituents seeking tariff exclusions; and a China deal that may or may not put an end to the intellectual property theft, cyber espionage, and government subsidies that have damaged America’s economy for over a decade.

We can debate whether these were the right policy choices, but we should all be able to agree that the USTR must be transparent with the American people about the choices they make.

So in order to do that, I plan to introduce a bill
to establish an Inspector General for the USTR. Nearly every other cabinet-level agency has a statutory inspector general to increase transparency, make government more accountable, and crack down on waste, fraud, and abuse. It is time USTR had one, as well. And I look forward to working with members of the committee and you, Mr. Chairman, given your deep history on these issues, to bring a new era of accountability to our trade policy to the benefit of American workers and their families.

The Chairman. Thank you. Senator Roberts?
Senator Roberts. Thank you, Mr. Chairman, for your leadership, for your strong advocacy of the United States-Canada Trade Agreement, USMCA, which also stands for the United States Marine Corps Always.

I also want to recognize the efforts of Ambassador Lighthizer. They have worked overtime to get this done, and the whole team at the USTR. Crafting a final product that could gain the support of so many stakeholders is no easy task, especially in today’s climate politically. I would just like to say on behalf of the farmers, ranchers, growers, in Kansas and all over the country, they have made one thing very crystal clear over the past year: Pass USMCA now. Times are challenging right now in farm country. They have been ever since 2014. We continue to be at a very rough patch.

Now we passed a farm bill a little more than a year ago to provide farmers and ranchers with the certainty and predictability they need to be successful producers. But as important as the farm bill is, I have heard from folks around the country and it is clear they need reliable markets both domestically and abroad, and for
this reason I will be supporting the passage of USMCA.

I want to say something about the original NAFTA agreement. Back in 2018, the two countries accounted for approximately 30 percent of the value of total U.S. agriculture exports. The value of U.S. agriculture exports to Canada in 2018 was over $20.8 billion, an increase of 276 percent since NAFTA was signed into law.

For exports to Mexico, the value of U.S. agriculture has gone 316 percent, from $4.6 billion in 1994 to $219.1 billion in 2018. It seems to me that is pretty good for a Trade Act that has been described as the worst trade bill ever written. I have noticed that because I helped write the bill, along with Kika de la Garza, the beloved chairman of the House Ag Committee at that time. And, according to the U.S. International Trade Commission, the ITC, this is going to provide even more growth potential for America’s future.

Now what I have been hearing from Kansans is what we need to is get this trade bill done, simply put, A-S-A-P. Get it done.

If we are not leading the charge and setting the rules, other countries will, and they are. LBJ once said, “Sometimes you just have to hunker down like a jackass in a hailstorm.” That is just about the way our farmers have been doing for the last four years. I do
not think we have to do that. I also do think it is
good advice. There is a lot of trade cactus out there,
trade tariff cactus. I just do not think it is a good
idea that we try to sit on every damn one of them.

Thank you, Mr. Chairman. I look forward to final
passage of the United States-Mexico-Canada Trade
Agreement, USMCA.

The Chairman. Thank you, Senator Roberts. Now,
Senator Carper for three minutes.
OPENING STATEMENT OF HON. THOMAS R. CARPER, A U.S.
SENATOR FROM DELAWARE

Senator Carper. Thanks, Mr. Chairman. Colleagues,
I am reminded today of, as we celebrate John Thune’s
59th birthday, of an occasion that occurred in the White
House. I was chairman of the National Governors
Association and we had all the Nation’s governors
gathered with President Clinton and his cabinet and Vice
President Gore, and one of the things we talked about
then was NAFTA, and why was he interested in pursuing
NAFTA.

What he said, he talked about World War II, the end
of World War II. The rest of the world was on its back,
and we were the 800-pound gorilla in the room. We
allowed other nations to put up trade barriers to keep
our goods out, goods and services out, and we allowed
them to continue to sell to us, mostly without
impediment. And he said the reason why we need NAFTA
and other trade agreements is not to allow other
countries to sell their stuff to us, but to make sure
that our businesses have the opportunity to sell to
them. And he put NAFTA in that context.

Was it everything we hoped it would be? No. I
like to say, if it is not perfect, make it better. It
was not perfect, and we need to make it better.

When our friend, Robert Lighthizer, was nominated to be the Trade Rep, he came to see all of us as he was going through the nominating process, and I suggested to him that he reach out to Michael Froman, Trade Rep during the Obama administration. I said Michael had been involved in negotiating something called “Trans-Pacific Partnership.” They had already negotiated pieces of that trade agreement with Canada and Mexico, 12 nations in all, 40 percent of the world’s trade.

And I said to Mr. Lighthizer, I said, before you go reinventing the wheel, find out what was negotiated in the last administration. I urged him to put Michael Froman on his speed dial as he went forward. And to his credit, they have communicated a lot in the last couple of years. I think it has been good for these negotiations.

I wish we had not walked away. I wish the last administration -- or rather this administration -- had not pulled us out of TPP. I think that -- the idea that we were leading a 12-nation group for trading, we were the leader, 40 percent of the world’s trade, China on the outside looking in. And why we walked away from that agreement, I am not sure, but we did. And now we have USMCA before us.
And is it better than NAFTA? You bet it is. And we want to commend those who worked hard to make it better, especially I want to commend the Trade Rep, our Trade Rep who does work hard. I commend a number of our colleagues, Sherrod and our ranking member Ron Wyden, and others, Democrats and Republicans who worked hard.

I want to thank especially -- Ben Cardin is not here yet. Sheldon is not here yet. But they worked with me and others on the environmental provisions to make sure that they were enforceable, not just words on a piece of paper, but they are enforceable.

I understand that the House, with whom we worked on a number of these provision, the House passed this bill by 385 to 41, bipartisan support. I think this measure deserves that same kind of bipartisan support here.

Thank you.

The Chairman. Thank you, Senator Carper. Now, Senator Cornyn, for three minutes.
OPENING STATEMENT OF HON. JOHN CORNYN, A U.S. SENATOR
FROM TEXAS

Senator Cornyn. Thank you, Mr. Chairman. This hearing has been a long time in the making, and I am glad we are finally getting around to the USMCA. I want to commend the President and the U.S. Trade Representative for their hard work and determination in achieving this goal, despite consistent political headwinds.

I also want to thank Chairman Grassley and his staff for considering an issue important to my state, and the committee report involving a product called "Sotol." I believe that the provisions in the Agreement, absent some clarification in the committee report, would contravene Congressional intent that prohibits deception of consumers with respect to distilled spirits products, that we will look forward to working with the chairman and the House on that pork language.

As a Texan, I have long understood and appreciated the close economic relationship with our neighbors to the north and to the south. The U.S. Chamber of Commerce estimates that NAFTA supports about 13 million jobs in the United States.

In 2018, Texas exported more than $137 billion in
goods and services to Canada and Mexico. This trade
supports an estimated 950,000 jobs in Texas, and has
helped make our State’s economy the 10th largest in the
world, not just in the country but in the world.

Much of this is made possible because of NAFTA,
which as we know took effect over a quarter of a century
ago, and a lot has happened since that time. As
beneficial as NAFTA has been in creating positive
changes, we can all agree it is time for an update, and
that is precisely what the USMCA will do.

It brings NAFTA into the 21st Century. It will
provide economic certainty, reduce tariffs, and greater
opportunity for all sectors including our farmers,
ranchers, and producers, manufacturers, and goods and
services. It will provide needed infrastructure along
the border, as well.

I worked closely with Ambassador Lighthizer and the
administration to secure funding for the North American
Development Bank, which I am glad was included in the
Agreement. This will provide $215 million to strengthen
infrastructure and improve quality of life in our border
communities, as well as those of our neighbors.

Mr. Chairman, while I am sympathetic to a number of
the issues that I believe our friend, the Senator from
Pennsylvania will raise here, I do believe that this is
a good Agreement. It is not a perfect agreement and, on net, I think it deserves my support. Thank you, very much.

The Chairman. Thank you, Senator Cornyn. Now, Senator Brown for three minutes.
OPENING STATEMENT OF HON. SHERROD BROWN, A U.S. SENATOR FROM OHIO

Senator Brown. Thank you, Mr. Chairman.

As many members of this committee know, I voted “no” 25 years ago on NAFTA, and have voted against every trade agreement since because every trade agreement has been written by corporations to maximize corporate profits, and to reward corporate executives, always at the expense of workers, always at the expense of the middle class.

We have seen the consequences: a shrinking middle class, an economy that works for corporations, but for fewer and fewer workers, especially in the industrial Midwest. President Trump’s initial draft of this Agreement was just more of the same, another pro-corporate trade deal written by special interests. But Ranking Member Wyden and I fought for changes alongside Speaker Pelosi and labor leaders that make real and important steps toward putting workers at the center of our trade policy.

We know why corporations move jobs overseas. They can pay lower wages. They can exploit workers. The only way to stop that race to the bottom is by raising labor standards in every country we trade with.
That is why Ranking Member Wyden and I authored a completely new way of holding corporations accountable, our Brown-Wyden Protection Provision. For the first time ever, a worker in Mexico can report through an anonymous hotline that her employer is violating her right to form a union, and within months we can take action against the company.

Brown-Wyden is the first improvement to enforcing the labor standards in our trade agreement since we have been negotiating trade agreements. And when Mexican workers have the power to form real unions, and to negotiate for higher wages, it helps American workers.

Right now, Mexican workers can be paid as little as $6.50 a day -- not an hour -- a day. And we have been asking American workers to compete with that.

We have already heard some critics say Brown-Wyden will force Mexican wages to rise. To that, I plead guilty. That is the entire point, to take away the incentive for American companies to shut down production in Mansfield, and Cleveland, and Dayton, and move those jobs to Mexico.

I want to especially again thank chairman Wyden, without him endorsing this proposal and pushing it aggressively in the face of an administration that simply did not want to write strong labor standards, and
Senator Wyden and I and Speaker Pelosi and the labor movement made the President and Mr. Lighthizer understand there was no agreement unless workers were at the center of the Agreement.

I would also like to thank Nora Todd on my staff for her unrelenting work for years, often thinking we were in the wilderness, but coming forward and making this happen. We must be straight with American workers. One deal the Democrats fixed is not going to bring back auto plants like the President promises.

I have real concerns that the auto rules-of-origin are much weaker than the administration says. I ask the chairman and the ranking member to commit to working with me to ensure companies actually comply with these rules, and to strengthen them if we need to. And we still have more work to do to make our trade agreements more pro-worker. I am voting yes for the first time on a trade agreement because, by including Brown-Wyden Democrats have made this Agreement, Democrats and the labor movement, much more pro-worker and set an important precedent that Brown-Wyden must be included in every single future trade agreement.

Thank you, Mr. Chairman.

The Chairman. Senator Brown, thank you. Now, Senator Bennet.
OPENING STATEMENT OF HON. MICHAEL F. BENNET, A U.S. 
SENATOR FROM COLORADO

Senator Bennet. Thank you, Chairman Grassley and Ranking Member Wyden, for holding this markup, and for your leadership on this matter.

Trade with Canada and Mexico is vital for our country’s economy, and certainly for Colorado’s economy, from businesses on the front range to farmers and ranchers on the west slope, and the eastern plains. Last year alone we exported $2.7 billion in goods and services to Canada and Mexico.

While NAFTA helped establish the trading partnerships, I have long said that we should modernize NAFTA as our economy develops. While President Trump’s initial effort fell short, the work that Senator Brown and Senator Wyden did filled the gap ensuring more resources and more tools to hold our trading partners accountable on labor and on the environment.

I am thankful for the work on both sides of the aisle to get us to this point, and I support USMCA because it not only maintains key export markets for Colorado, it brings North American trade into the 21st Century.

At the same time, we have to be honest. Passing the
USMCA will not ease the enormous pain and uncertainty from the administration’s feckless trade policy over the last three years. Every day the President’s unpredictable behavior cast a shadow of uncertainty over consumers, small businesses, and agricultural producers.

This year alone, Mr. Chairman, there is an increase of farm bankruptcies by 23 percent. Farm incomes have fallen, and what they are exporting overseas has dropped like a stone. Every day, farmers and rancher are left to wonder if the President’s next tweet will collapse the value of crops they have already planted.

And unlike this administration, they know that future growth will come from new fast-growing overseas markets. Instead of securing those markets, the President is ceding them to foreign competitors, while forcing hard-working Americans to bear the costs of his tariffs and trade war.

So while I am grateful that Congress is taking swift action to pass USMCA, today’s vote is not enough. We must do more to grow export opportunities and lift up standards around the world. And this administration must act responsibly for the sake of American workers, farmers, ranchers, and businesses.

Thank you, Mr. Chairman.

The Chairman. Thank you. And now it looks to me
like we have Thune, Portman, and then Warner.
Senator Thune. Thank you, Mr. Chairman.

This markup has been a long time coming for the farmers and ranchers in my home State of South Dakota and around the country who are struggling. Today we have an opportunity to move forward on a trade deal, the United States-Mexico-Canada Agreement, that would hopefully bring them some relief.

Thanks to low commodity prices and livestock prices, natural disasters and protracted trade disputes, farmers and ranchers in my State of South Dakota and around the country have had a tough few years. When I talk to farmers and ranchers at home in South Dakota, they continue to emphasize that the most important thing that Washington can do to boost our agricultural economy is to take action on trade agreements to expand markets.

Farmers and ranchers need access to new and expanded markets for their products, and they need certainty about what international markets are going to look like in the future. USMCA will help meet those needs. It will preserve and expand farmers’ access to two critical export markets, and it will give farmers certainty about what those markets will look like long term.
I am particularly pleased with the improvements the Agreement makes for U.S. dairy products. South Dakota has experienced a major dairy expansion over the past few years, and this Agreement will benefit U.S. dairy producers by substantially expanding market access in Canada where U.S. dairy sales have been restricted.

The U.S. International Trade Commission estimates that the Agreement will boost U.S. dairy exports by more than $277 million. The Agreement will also expand market access for U.S. poultry and egg producers, and will make it easier for U.S. producers to export wheat to Canada. And of course the benefits for the agriculture industry are just one part of this Agreement.

Virtually every sector of our economy will benefit from the United States-Mexico-Canada Agreement for manufacturing, the digital services, to the automotive industry. And it should come as no surprise then that the USMCA will create 176,000 jobs and increase wages for workers.

Now this is not to say that I do not think the administration could and should have gone further in certain areas. For example, as a consistent supporter of country-of-origin labeling I wish the administration had been able to find a solution to restore COOL, add
value to our domestic ag products, and to eliminate the risk of future trade sanctions. But we cannot let the perfect become the enemy of the good. There are thousands of farmers and ranchers in my state, and around the country, who are waiting for the relief this Agreement will bring. It is past time to pass this trade deal. I will be voting yes on USMCA, and I would encourage my colleagues on this committee and in the United States Senate to do the same. Thank you, Mr. Chairman.

The Chairman. Thank you, Senator Thune. Now, Senator Portman.
OPENING STATEMENT OF HON. ROB PORTMAN, A U.S. SENATOR
FROM OHIO

Senator Portman. Mr. Chairman, thank you. And I want to particularly commend the team at USTR for negotiating this. Bob Lighthizer is not with us this morning because he is working on the next agreement, but it is great to have some of the staff here. I want to particularly point out John Milley, who is a professional staffer with whom I had the opportunity and the privilege to work when I was at USTR, and he was the chief staff negotiator. This has been over two years of hard work. Frankly, it sat up in the House for over a year. It is exciting that we are finally here, and we are going to get this done because it is good for Ohio and it is good for America.

It also is important to me that there was a strong vote in the House, because it shows that trade can be bipartisan and that we do have a consensus in this country that we want to export more. We want to do more trading because trading is good for our country.

I support USMCA because I believe it is a pro-trade Agreement. It opens new markets. That was talked about earlier. John Thune just talked about the benefits for agriculture. That is certainly true. But also in other
ways. It reduces trade uncertainty with the first ever
digital trade chapter for NAFTA. It is really important
because this is increasingly part of trade, particularly
in Ohio. We have got a lot of Internet companies that
are going to be benefitted by this.

It also eases the Customs burden for small sellers
by raising the protectionist de minimis caps in Canada
and Mexico. We should be able to do even more, so this
is great success. And again, congratulations on what I
know was some tough negotiating there. It helps a lot
of our small businesses in Ohio.

I have already mentioned the Internet Economy Rules
that avoid the kind of digital protectionisms that
otherwise could happen. But also this
level-the-playing-field issue that was talked about
earlier. My colleague from Ohio and others have talked
about this.

The rules of origin is really important to Ohio. We
are the number two auto state in the country. Auto
manufacturing has become increasingly high tech, and
these rules-of-origin for cars are important because
they have begun to leak as parts have come in from China
and, frankly, other countries that have been free riders
on the NAFTA preference. So I think that is
appropriate.
I do not know why it is considered to be inappropriate to say, look, if you have an agreement with the United States we will give you this preference. If you do not have an agreement, you cannot free-ride on our agreement by coming in. And frankly what it is going to do is encourage other countries to have trade agreements with us. So I think it is a good thing for expanding trade.

The rules-of-origin also require that 70 percent of the steel in vehicles made in North America -- are made in North America. That is the first time ever, as well. And I think that is also important. And this is all in USMCA, but not in NAFTA.

The NAFTA labor and environmental standards have been talked about. They were promises on paper but not enforceable under NAFTA. Now they are enforceable. It updates the standards, as well, which has not been talked about as much, and that is important, just to bring a 25-year-old agreement up to speed. We had to do that.

So, look, is it perfect? No. No agreement is perfect. But this is a big improvement. And a vote for NAFTA is a vote for these improvements. A vote against it of course is a vote for the status quo.

I am pleased that Sharon and Gary Finis, who are in
Columbus, Ohio, who have contacted me are now going to be able to, in their budding eBay business, to be able to have more access to Canada and Mexico, our biggest trading partners in Ohio by far.

I am pleased that Frank Burkett, who has contacted me, who is a dairy farmer whose farm I visited in Canal Fulton, Ohio, is going to be able to sell more to Canada and get his prices up.

I am pleased that our auto workers around the state are going to have a more level playing field. This is all critical, and why I think it is so important that we do move forward with this Agreement today.

So again, congratulations, Mr. Chairman. I look forward to saying yes today and to getting this onto the Senate floor as soon as possible.

The Chairman. Now, Senator Warner for three minutes.
OPENING STATEMENT OF HON. MARK R. WARNER, A U.S. SENATOR FROM VIRGINIA

Senator Warner. Thank you, Mr. Chairman.

As we all know, strong trading relationships improve our Nation’s economy. I am optimistic that this trade agreement will help American farmers, sports manufacturers, retailers, and workers.

As others have pointed out, this deal addresses issues like digital trade that NAFTA could not fully anticipate, and decreases market barriers to agricultural products that have been huge points of concerns for Virginia farmers.

I want to add to my colleagues’ congratulations to Ranking Member Wyden and my friend Senator Brown, and our House colleagues, because now this Agreement finally includes strong labor protections to ensure that companies in our partner nations are held accountable, and that American workers can compete on a level playing field.

Overall, I am hopeful this Agreement will provide the consistency and stability that the business community needs. At the same time, I worry that the process that led us to this point may result in reduced U.S. credibility and trust from our allies and closest
trading partners.

Throughout the negotiation process, the President’s efforts to levy tariffs on Canada and Mexico, and to make repeated threats to withdraw from NAFTA or to heedlessly close the border with Mexico have exemplified the troubling and erratic approach to trade issues that we have seen from the administration.

Our trade relationships are a key form of diplomacy, allowing us to increase U.S. influence abroad and deepen our relationships with foreign partners in ways that benefit not just American prosperity but U.S. security and leadership.

Alienating our closest allies with the misuse of national security tariffs is counterproductive and endangers American security. That is why Senator Toomey and I have offered the Bicameral Trade Authority Act to curb abuses of the 232 authority.

I am hopeful that with ratification of this deal, this committee will have an opportunity to reexamine those efforts in a bipartisan fashion.

Finally, and I made an agreement with the ranking member not to raise this issue during these considerations, but I do want to take note that I have serious concerns with the inclusion of Safe Harbor language modeled on Section 230 of the Communications
Decency Act.

Congress is beginning at this point an important bipartisan debate about whether Section 230 is working as intended, and many, including many prominent civil rights’ groups, believe that Section 230 has allowed Internet intermediaries to ignore misuse of their platforms by bad actors. This is an issue that I think needs our attention and I hope that we can revisit it in a bipartisan way.

Again, I commend everybody who worked on this. And as I mentioned earlier, it is going to be unique to follow Sherrod Brown on a trade piece of legislation.

[Laughter.]

Senator Lankford. Mr. Chairman, thank you. About three years ago, President Trump announced that he was going to revisit NAFTA. A lot of folks around the country that had benefitted from NAFTA long term looked at it with a little bit of a nervous eye. NAFTA has put for the last 25 years a really good playing field for having low or no tariffs across North America. What we have seen is billions of dollars in trade in Canada and Mexico, being by far our largest trading partners.

For the last two-and-a-half years, the Trump administration, through their negotiations and through a lot of word through the media back and forth of what is going to happen or what is not going to happen at the end of the day, have actually locked in a trade deal.

It is a bipartisan trade deal. It is a message to every other country around the world that the United States is going to be a tough trading partner to be able to get into negotiations, but at the end of it we want to get into an actual trade deal and to get something signed and done.

My conversations with the President over the last two-and-a-half years have circled over and over again,
is your goal to have high tariffs? Or, is your goal to have low or no tariffs? And again and again, he has repeated to me privately, and again and again he has stated in different ways publicly, his goal is to get to low or no tariffs so that we can open up trade. But it has to be a fair process at the end of the day.

This revision of NAFTA gets us back to an agreement with Canada and Mexico that gets back to low or no tariffs across North America. It takes the vast majority of the existing zero tariff treatment from NAFTA, forwards that and deals with some of the issues that we have dealt with in Oklahoma for a long time, like wheat. When you drive across the western-northern part of my State, you see beautiful wheat fields. Those beautiful wheat fields feed our kids, feed our families. But when they go into Canada, Canada has a different way of grading that wheat and that drops the price there and has been a problem for Oklahoma farmers for a very long time.

This deal finally deals with the wheat issue that we have had in Oklahoma for a long time with NAFTA. This deals with digital trade. It deals with intellectual property. It deals with multiple other updates to agricultural goods like dairy, and eggs, and poultry, things that are exceptionally important and finally get
resolved.

So there is a lot of good that is in this. I am glad they have kept a lot of the things that had been beneficial in NAFTA in the past, and have done a sufficient update to this in the days ahead because it desperately needed an update.

And after two-and-a-half years of consternation across the country of will we actually get a trade agreement done? We are actually getting a trade agreement done. And I hope it sets a platform for every other country negotiating with us to say we actually want to get trade agreements done, and to get everyone to the table and get something finalized.

So with that, I thank the chairman. There is a lot of this that I would have done very, very differently, but I am glad that we are sending a message world-wide that we are open to trade again.

The Chairman. Thank you, Senator Lankford. Now, Senator Hassan.
OPENING STATEMENT OF HON. MAGGIE HASSAN, A U.S. SENATOR
FROM NEW HAMPSHIRE

Senator Hassan. Well thank you, Chairman Grassley and Ranking Member Wyden, for holding this markup to consider the Trade Agreement among the U.S., Canada, and Mexico, known as USMCA.

International trade, when done right, helps businesses and consumers alike by expanding opportunity, reducing costs, and boosting economic growth. In evaluating any trade deal, including the USMCA, I use two key benchmarks.

First, trade deals must help level the playing field for New Hampshire’s and our country’s innovative businesses that are competing in the global economy.

And second, trade deals must contain strong enforcement mechanisms that protect workers, consumers, and the environment.

Thanks to the diligence and good-faith efforts of both Democratic and Republican negotiators, the bipartisan USMCA now meets both of these standards, and I support implementing this Agreement.

In terms of competition, the USMCA boosts American businesses by modernizing our current trade agreement which predated Internet commerce, to protect the flow of
digital trade, and to better safeguard intellectual
property.

The Agreement also cuts red tape for small exporters
by allowing electronic filing of Customs forms, an
important provision for a small business State like New
Hampshire.

In addition to cutting red tape, the deal cuts costs
for small businesses by increasing the share of
shipments to Canada and Mexico with duty-free status.
Further, the USMCA removes long-standing trade barriers
that have prevented dairy farmers in New Hampshire and
other states from accessing the Canadian market.

When it comes to enforcement, the bipartisan deal
that Democrats negotiated with the administration
contains major improvements to the Agreement. First off
I want to commend Senators Brown and Wyden on their
efforts to ensure that the Agreement contains strong
labor enforcement mechanisms which helps to remove the
incentives that would otherwise encourage the
outsourcing of jobs.

The bipartisan Agreement also helps protect
consumers from soaring pharmaceutical prices by
eliminating provisions that would have shielded
brand-name drugs from competition.

And the USMCA contains funding for environmental
protection and measures to help ensure that the administration follows through with enforcement of environmental provisions. I would like to commend Senator Carper for his work on developing and incorporating those provisions in the Agreement.

The bipartisan USMCA will work to increase the competitiveness of American businesses, while ensuring the protections in the Agreement are effectively enforced, and I will vote in committee and on the Senate floor to support the Agreement.

Thank you.

The Chairman. Thank you, Senator Hassan. Now, Senator Daines.
OPENING STATEMENT OF HON. STEVE DAINES, A U.S. SENATOR
FROM MONTANA

Senator Daines. Mr. Chairman, thank you.

Today marks a very important step for farmers, for ranchers, and small businesses across Montana, as well as around our country. Advancing this important trade deal between the United States, Canada, and Mexico out of the Senate Finance Committee will bring us one step closer to providing more certainty and better access to markets for Montana agriculture.

I think it is worth noting, when you look at the top four largest trading partners of the United States in terms of just dollars, it is China, Canada, Mexico, Japan. It is important to stay focused on these large trading partners. We got the good deal done with Japan done recently. The phase one China deal is imminent. And now we are going to be moving forward with Canada and Mexico. This is progress.

When you think about that 95 percent of the world’s consumers live outside the United States, and as I think about my farmers and ranchers back home, it is all about access to these markets. I am grateful to see us making progress in that regard.

My farmers and ranchers across Montana consistently
tell me about the importance of trade and the need to move this critical Agreement forward. I repeatedly called on Congress to take action on this trade deal, and I am glad to see it near the finish line.

You see, Montana ag is more than just our number one driver of the Montana economy, it is very much our very way of life in Montana. And this Agreement will help ensure we maintain critical access to Canada’s and Mexico’s import markets and we can maintain it and, importantly, expand it.

This trade is expected to create almost 180,000 new American jobs, boost our economy by more than -- by $70 billion in GDP. In fact, in 2018 alone Montana had $731 million in total exports to Canada as well as Mexico.

For our producers and our ag-related industries in Montana, this would help provide certainty and alleviate some of the challenges and obstacles they face over a very tough season back home in Montana.

Additionally, not only advancing USMCA will improve our trading relationships with Canada and Mexico, it also allows more focus and energy to be placed on opening these new markets for Montana ag, energy, and our small businesses.

Ongoing efforts to level the playing field and reduce barriers to trade in China, the EU, Japan, and
other critical markets continues to be essential, and I
will continue to work with the chairman and the
administration to get it done.

Again, thank you, Mr. Chairman, for your leadership
on the U.S.-Mexico-Canada Agreement, and I look forward
to supporting it today and voting for it on the Senate
floor soon.

The Chairman. Senator Cortez Masto.
OPENING STATEMENT OF HON. CATHERINE CORTEZ MASTO, A U.S. 
SENATOR FROM NEVADA 

Senator Cortez Masto. Thank you, Chairman Grassley, Ranking Member Wyden, and Ambassador Lighthizer. I want to begin by thanking you and your staff for all of the good work that -- and literally tireless work that you have done to negotiate a bipartisan agreement that begins to provide certainty to our businesses here and at home in Nevada.

Trade is one of the top concerns I hear from Nevadans. During my time in the Senate, I have heard directly from around 100 business owners in all 17 counties in my State, including the dairy industry, that say they need stability. Nevada exports over $1.8 billion in goods to Canada and Mexico, which creates thousands of American jobs in my home State. And Nevadans need a fair trade deal that protects workers and provides businesses of all sizes the ability to plan so that they can grow.

Nevadans are concerned with tariffs, market access, a trade war with China, and this USMCA Agreement. Here in Washington I believe we have been making some progress in a bipartisan way to improve and modernize some of these trade agreements.
However, I remain concerned that the President and his policymaking by tweet undercuts the effective bipartisan work that is being done. It impacts markets and the ability of Nevada businesses to plan for the future.

And Nevada’s workers should have a peace of mind that their jobs will not be threatened by erratic policymaking in Washington.

During this process, I made it very clear I supported the incorporation of the Wyden-Brown proposal, and I want to thank my colleagues, Senator Wyden and Senator Brown, for fighting to incorporate this proposal into the Trade Agreement.

I am thankful we were able to come to a bipartisan compromise and include important labor protections and enforcement provisions. I am proud of Nevada’s strong traditional of organized labor. That is why I understand how important it is to protect and fight for unions, to strengthen their bargaining rights so that working families can organize for safer work places and better wages.

I vowed to fight to ensure workers’ rights are protected in any trade deal. Because labor was at the table when these deals were negotiated, we were able to come to an acceptable agreement.
I am also pleased to see in this trade deal that the dairy industry in Nevada will benefit, as well. I acknowledge that this deal was not perfect. It alone will not solve outsourcing and economic inequality. I know our friends in the environmental community have concerns about this Agreement falling short on addressing the climate crisis. I share their sentiment that this administration has repeatedly failed to address or acknowledge the climate crisis. That is one of the reasons why I will continue to fight for real investment in renewable energy technologies, and the protection of our precious natural resources and the environment.

These concerns need to continue to be addressed, and I look forward to working with my colleagues to address these concerns. Overall, I am pleased to be able to support this bipartisan Trade Agreement today. Thank you.

The Chairman. Thank you, Senator. Now, Senator Toomey.
Senator Toomey. Thank you, Mr. Chairman.

I think it is worth starting with a reminder of how we got this process started. NAFTA is, after all, a free, and fair, and reciprocal trade agreement. There are zero tariffs on 100 percent of manufactured goods that trade across our borders. Zero tariffs on 97 percent of agricultural products, and very, very few obstructions of other forms.

Now NAFTA needed to be updated because it is an old Agreement, and the economy has changed. But that is not the real reason that this Agreement was renegotiated. The real reason was because we have a trade deficit with Mexico, and the administration deemed that to be unacceptable.

So I think it is useful to think about USMCA as consisting of NAFTA with primarily two categories of changes. One is a category of changes that modernize it. It takes into effect and basically codifies existing practices in the digital economy.

But the second category are the changes that are meant to diminish trade and investment. And this, my colleagues, is what I think is wrong with this
Agreement. It is the first time we are ever going to go backwards on a trade agreement. The country’s specific rules of origins are completely antithetical to a continental free trade agreement and designed to raise the cost to American consumers of buying Mexican cars.

The sunset clause. This thing goes poof in 16 years. It’s gone. That is designed to have a chilling effect on investment. The ISDS mechanism, the Investor State Dispute Settlement mechanism is gone, virtually, in this Agreement. And the new negotiations that came in the last few months, labor provisions, and the removal of the intellectual property protections for biologics I think also take us backwards.

Be careful about the ITC report. There is no economic growth here. There is a little tiny bit of growth that they attribute to the codification of the existing trade practices and digital technology, but they acknowledge that the trade restricting provisions will diminish jobs and economic growth. And they do not even attempt to quantify the adverse effect of the sunset clause.

Finally, on process. In significant ways it seems to me that this committee is getting rolled, and we should not do that. We are being made increasingly irrelevant in a process of trade negotiation which is a
Constitutional responsibility assigned to us. TPA is a
deleagated authority to the administration and this
Agreement, Mr. Chairman, in my view is not in compliance
with TPA.

A case in point in example here is, we are not
having a markup today. As we all know, this is not a
mock markup of a draft implementing legislation. This
bill was already passed by the House. There are no
amendments going to be permitted. No changes can be
made. And in the past, every single trade agreement has
come before this committee with a mock markup for the
express purpose of allowing us to discover whether there
is a consensus about some changes which could be
recommened to the administration in the form of
amendments, and which could then be incorporated in a
final draft. All of that is being dispensed with.

So, Mr. Chairman, in my view we have taken a free
trade agreement that needed modernization -- and there
is modernization. But then we have slapped on all of
these provisions designed to restrict trade and
investment. We get no economic growth out of this, and
we, the Senate, and the Senate Finance Committee, are
allowing ourselves to be marginalized.

This should not be a template for going forward.
And since it is not compliant with TPA rules, it seems
to me it ought to be considered under regular order. Where, by the way, there are plenty of votes to pass it under regular order. I think for the sake of the integrity of TPA, and for legislative filibuster, we should not consider this under TPA.

Thank you, Mr. Chairman.

The Chairman. Thank you, Senator Toomey. Now it will be Senator Casey. And I am going to step out for a minute, so after Casey’s three minutes are up, Senator Sasse is up.
OPENING STATEMENT OF HON. ROBERT P. CASEY, JR., A U.S. SENATOR FROM PENNSYLVANIA

Senator Casey. Mr. Chairman, thanks very much.

As the Auditor General of Pennsylvania, way back in the 1990s, I opposed NAFTA. That was in 1997, to be specific. In the interim period, as a public official in our State I fought a lot of battles for workers and for worker rights.

When President Trump came into office in 2017, I was somewhat hopeful that he would stay true to his word on trade. However, in 2018 he signed a corporate trade deal which only improved -- only was improved, I should say, by the Herculean efforts by Democrats and by the men and the women of organized labor.

I applaud those efforts over many, many months now. And I will support this Agreement. We must be clear-eyed, though, about what this Agreement does do and what it does not do.

This Agreement will not fix outsourcing. It will not do nearly enough to bring jobs home, or rebuild our communities which have been devastated by trade over time. But this Agreement is a measurable improvement on the status quo and represents a step forward in what trade proposals of the future should look like.
I applaud the work of Speaker Pelosi, Senator Brown, Senator Wyden, and other members of this committee who have fought to get this to a better place on NAFTA rewrite. Our State of Pennsylvania has paid a high price when it comes to trade, and we must continue to move forward to ensure the mistakes of the past are not repeated and new mistakes are not made.

For example, the Economic Policy Institute estimates that NAFTA eliminated 850,000 jobs nationally, most of them in manufacturing. According to a 2015 Economic Policy Institute report, Pennsylvania lost 314,000 manufacturing jobs, 5.7 percent of total employment, between 1998 and 2013 -- 314,000 manufacturing jobs.

The President said he is for workers, but he seems to work only for corporations. Make no mistake about it. Democrats and labor unions are the reason this Agreement has enforceable labor standards. Democrats and labor unions are the only reason this Agreement has enforceable standards on the environment. Just as clear is the President’s track record on workers and families.

President Trump gave large multinational corporations tax incentives to offshore manufacturing jobs. He eliminated the deduction for union dues. He is trying to decimate the Patient Protection and Affordable Care Act, and he has appointed anti-worker
This Agreement that we are considering now is, as I said, a measurable improvement. Unfortunately, the Agreement the President signed in October of 2018 contained zero improvements to trade enforcement, and was deficient in both labor and environmental protections. Democratic efforts made today’s vote possible, and I applaud those efforts.

Thank you, Mr. Chairman.

Senator Wyden (presiding). Thank you for your efforts on the labor protections as well.

Senator Sasse, for his first day here and his opening address to the committee.
OPENING STATEMENT OF HON. BEN SASSE, A U.S. SENATOR FROM NEBRASKA

Senator Sasse. Thank you, Ranking Member. “Opening Address” feels a little too august, but to you and the chairman, thanks for inviting me. To all of you on the committee, you know good reasons why this is regularly referred to as the most powerful committee in the Congress. The work here affects moms and dads, farmers and ranchers, patients and doctors, taxpayers, present and future, and so, Mr. Chairman, thank you for having me serve on this committee and for your welcome. And it is good to follow you in your chairmanship on a second committee.

I am also extremely eager to have my first vote on this committee be the U.S.-Mexico-Canada Agreement. USMCA should have been done a long, long time ago. It languished in the House for reasons that are not really that defensible, but it is great that we are finally going to have the opportunity to vote on this Trade Agreement.

Senator Toomey made a bunch of important comments that I agree with, as well. And yet we need to, given political realities, get this Agreement across the finish line.
The USMCA comes at a critical time for Nebraska agriculture. Here is the bad news. Farmers have experienced low commodity prices, excessive supply, weather disasters, global trade disruptions, and the farm economy, as the Senator from Kansas has said, is embarrassingly sluggish. But here is the good news. The USMCA Trade Agreement strengthens our trading relationships with North American neighbors. It is also the foundation for some future trade agreements in terms of modernization of rules and regulations, laws and obligations with conformity, transparency, and verification.

According to the USDA, Economic Research Service, Nebraska exported almost $7 billion of agricultural commodities in 2018. That puts Nebraska sixth in the Nation in trade, in ag exports behind California, Iowa, Illinois, Minnesota, and Texas. If you know your demography, Nebraska is by far the lowest population state of those big six. So the value of Nebraska exports consistently accounts for 30 percent of our state’s total agricultural receipts.

The USMCA Trade Agreement provides security, market access, long-term stability, and growth not only in quantity but also in the value of our products sold to North American trading partners.
This Agreement further lays the foundation for future agreements for protection against foul play from China. More mutually beneficial trading agreements will strengthen our position against exploitative trade practices that undermine American influence worldwide.

So, Mr. Chairman, and members of this committee, I am proud of the efforts by the U.S. Trade Representative. Ambassador Lighthizer is away on different work, but as one of only two Republicans who voted against his confirmation because I have a more pro-free trade view than the Ambassador on a lot of issues, I want to compliment him and his team on the way they have dialogued with us and worked with us. The Ambassador has been a prince of a man in terms of his willingness to engage, and educate, and tutor.

Here is the bottom line: Nebraska is ready to keep feeding the world, and we need open trade markets to do so. We should get the job done.

Thank you, Mr. Chairman.

The Chairman. Senator Young, for three minutes.
OPENING STATEMENT OF HON. TODD YOUNG, A U.S. SENATOR
FROM INDIANA

Senator Young.   Thank you, Mr. Chairman, ranking member.  As all my colleagues have iterated, I am pleased we have come to this moment in the Finance Committee. It has taken a bit longer than many of us would have liked, and I hope in the future free trade agreements can be considered more expeditiously.

But nonetheless, here we have this Agreement, USMCA. And while not perfect, I know how critical USMCA is for the State of Indiana and for our entire country for farm country, for manufacturers, and for business of all sizes.

In my state, trade certainty with Canada and Mexico is vital. Over 233,000 jobs are directly attributable to our trade with Canada and Mexico. Our exports total $19 billion worth of goods and services, with transportation equipment, and chemicals, and machinery among the largest export categories.

Our auto exports to Canada and Mexico have significantly increased in recent years. Since 2010, they have more than doubled. But what is really important is that over 70 percent of transportation equipment exports come directly from small- and
medium-size enterprises. By facilitating an environment that enhances market access to our largest trading partners, we support these local businesses that truly invest in workers through higher wages and other benefits, and we thereby strengthen our local communities.

USMCA gives farmers much needed tools through eliminating unnecessary market barriers, expanding market access, and improving processes around bio tech approvals. Hoosier farmers benefit from a reliable trading relationship with our neighbors, especially as the future remains uncertain with many countries.

For these reasons and for many others, I will be supporting USMCA. Thank you, sir.

The Chairman. Thank you. Senator Cantwell for three minutes.
Senator Cantwell. Thank you, Mr. Chairman.

The State of Washington is one of the most trade dependent economies in our country, and we certainly believe in opening new markets. And this Agreement, while I could focus today on leave theory and the digital aspects, or the need to have better enforcement on aerospace, I want to spend my time talking about the $240 million we are going to spend on ensuring that Mexico has capacity building protections. That is, for rights to organize and bargain collectively.

I want to thank my colleagues, Senators Brown and Wyden, for helping to implement these provisions on enforcement, but also recognizing that the twin sister of enforcement is capacity building.

Why do I believe that we need to focus on capacity building? When we passed the Customs bill for trade promotion authority, we created a $30 million enforcement trust fund. That trust fund has been used to bolster agriculture of our economy by also being used to stop illegal logging in South America, to send Chinese a warning about tariffs and quotas on wheat and to get that changed, and to fight European subsidies for
commercial aircraft.

So that capacity that we put into the Customs bill has helped us make trade work. The same thing is clear here. If we want to make trade work in countries that do not really understand how to make it work successfully, we can demand all we want but the United States of America has to be a willing partner in building capacity.

So why do I think this is so important? Well, it is a roadmap for where we need to go. This is the first time that I know of where business and labor, companies like Coca-Cola and the AFL-CIO, are in agreement about how to make the rules of the road. They are saying specifically we believe in the United States of America helping these countries build the judicial system, the labor enforcement system, the protection against child labor violations, and all the things that are so important to make a good trading partner.

This is a far cry from building a wall. So in a lot of ways this bill is a lot more Trump gun than it is Trump. And this is the point I want to make this morning. If our country wants to recognize the growing middle class around the world, the huge economic opportunity that is a tipping point has occurred, there are more middle class people than poor people now in the
global economy. It is trillions of dollars of economic
opportunity.

So let us build relationships. Let us build
enforcement. Let us build capacity, and let us get on
with what my state already knows, that trade is a great
economic opportunity for our future economy.

Thank you, Mr. Chairman.

The Chairman. Senator Stabenow.
OPENING STATEMENT OF HON. DEBBIE STABENOW, A U.S. SENATOR FROM MICHIGAN

Senator Stabenow. Thank you very much, Mr. Chairman and Ranking Member.

As I often say, in Michigan we make things and grow things. Because we make things and grow things, trade is a critical part of our economy, and we are clearly a border state. Trade is particularly critical with Mexico and Canada, our two largest trading partners.

For a trade agreement to be effective for American families, we need to make sure we are exporting our products and not our jobs. And that is the test for me. Unfortunately, since NAFTA went into effect, for more than two decades workers and families in Michigan have seen manufacturing jobs and their livelihoods outsourced to Mexico.

NAFTA created a race to the bottom with major incentives for companies to ship their manufacturing jobs and facilities to Mexico so they could pay the lowest wage and offer the lowest benefits possible.

When the Trump administration announced they would renegotiate NAFTA, I agreed that a review and a modernization was long overdue. However, when the administration announced that they had reached a deal in
2018, they touted a new agreement that was essentially the old NAFTA for working men and women.

There was still no meaningful enforcement to guarantee a level playing field, and it was clear to me that Michigan workers had been betrayed. So I did not support that agreement.

Instead, I joined with Democratic colleagues led by Senator Brown and Senator Wyden who have done excellent work to dramatically improve the Agreement and add more tools on leveling the playing field for workers and protecting American jobs.

Because of these substantial improvements, I now intend to support this Agreement. But it is not enough to have words on a piece of paper. These new enforcement tools must be used. It is up to the administration and to Congress to vigorously monitor and enforce this Agreement.

We need a fair trading system that actually addresses labor, environmental, and other violations swiftly when they occur. For example, we were also able to end Canada’s Class 7 milk pricing scheme, an issue I have worked on for a long time, and I want to thank Ambassador Lighthizer for his efforts in making this a priority.

This pricing scheme allows Canada to manipulate the
price of their milk, which in turn lowers the demand for
U.S. milk exports. Enforcement of this new language is
critical for American dairy producers. Again, making
sure Canada abides by their obligations on dairy and
ensuring Mexico follows through on their constitutional
reforms will only be successful if the new enforcement
tools Democrats secured are actually used.

I also want to take a moment to say what is not in
this Agreement, and the work that still needs to be done
for American workers and families.

We should be passing legislation like my Bring Jobs
Home Act to close loopholes that reward companies when
they offshore American jobs. It is also critical, Mr.
Chairman, that we make updates to Trade Adjustment
Assistance to support Americans who lose their jobs
because of trade impacts.

Soon I will be introducing a Trade Adjustment
Assistance Reauthorization bill to modernize, reform,
and strengthen TAA for workers who continue to be harmed
by unfair trade practices. Usually Trade Adjustment
Assistance moves as part of a trade agreement, as we
know. Because this is not happening with USMCA, I urge
that we support displaced workers, that they be a
priority for future action in this committee.

Again, on behalf of the people of Michigan, I am
laser focused on making sure we are exporting products, not jobs, and this bipartisan Agreement creates the tools to do that if we use them.

Thank you, Mr. Chairman.

The Chairman. Senator Whitehouse.
Senator Whitehouse. Thank you, Mr. Chairman. I will be a no vote on environmental concerns. I recognize that a lot of progress has been made in this Agreement on trade and labor issues, and I want to thank on our side particularly Ranking Member Wyden and Senator Brown for the impressive work that they have done to make those improvements. There has actually even been a lot of progress made on environmental issues, and I want to thank Senators Carper and Cardin for their hard work there.

But the progress that has been made on environmental issues started from an embarrassingly, really disgracefully low bar, non-existent bar. So this Agreement does not reflect a sense of urgency about what I feel is an appropriate sense of dread about the climate calamities that are unfolding. The wildfires now burning in Australia, the trillions of gallons shedding off the Greenland Ice Cap. The Earth is sending us profound signals that we have knocked things out of whack on our only home.

My State of Rhode Island is facing a new map because sea level rise will force that change.
The USMCA does not even mention climate change. That name, that word, that phrase does not even appear. The question for me is: Does this Agreement work toward protecting us from warming above 1.5 degrees centigrade, or does it not?

And in my view, it does not. We have never, ever had CO2 levels on this planet at the levels we see now in the entire history of our human species. It breaks my heart to see Congress sleepwalking into catastrophe on carbon emissions, and it angers my heart to see the fossil fuel industry still so deliberately incapacitating us from taking necessary action.

So for these reasons, sadly I will vote no.

The Chairman. Now Senator Whitehouse -- now, Senator Scott.
OPENING STATEMENT OF HON. TIM SCOTT, A U.S. SENATOR FROM SOUTH CAROLINA

Senator Scott. Thank you, Mr. Chairman. And thank you to you and your staff for your hard work and dedication on this deal. It is certainly not a perfect deal, and not necessarily the deal that I would like us to be discussing today, but it certainly is a step in the right direction.

South Carolina is a great case study in the effects in a post-NAFTA world. Our textile community was decimated in many ways, from our perspective, because of NAFTA. The good news is we had an opportunity to recreate our economy, and we recreated our economy around high-tech manufacturing. And today in South Carolina companies like BMW, Bosh, Michelin, and Volvo have all made South Carolina their home.

FDI, or Foreign Direct Investment, is a major part of the lifeblood of the South Carolina economy. BMW just recently celebrated 25 years of presence in South Carolina. That is 25 years, $11 billion invested, 11,000 workers, 4 percent of our state’s employees who are a part of the automotive industry.

So as this committee considers this Agreement, this administration and future administrations must remember
that innovation is what drives American to greatness. 
Innovation propelled by our workers like the 4 percent 
of South Carolinians in the auto industry is what drives 
a successful economy. 
   Additionally, our ag community, our soybean 
producers concur that the benefits of this Agreement 
outweigh the downside. Dairy farmers like Lynn Easter 
now have the gold standard to sell in Canada in a fair 
and competitive market. 
   As this Agreement moves forward towards 
implementation, I plant to keep a very focused eye on 
how the rules and regulations surrounding this new 
automotive regime are carried out. Our regulatory 
environment should never be one that stifles innovation. 
   Thank you. 
   The Chairman. Senator Cassidy.
OPENING STATEMENT OF HON. BILL CASSIDY, A U.S. SENATOR
FROM LOUISIANA

Senator Cassidy. Yes, thank you, Mr. Chairman.

First let me compliment the President and Ambassador Lighthizer and their staff for the USTR for the significant time they have spent fine-tuning this Agreement. You all have worked hard. I applaud that, and I thank you for that effort. Ambassador Lighthizer has made himself available. And I also want to compliment him on that.

That said, I take issue strongly with the process that is taken before us. As a body, we continue to drift away from regular order. We have not held a mock markup or allowed amendments. Therefore, giving members of this committee little input.

There is one specific example I will give to that. The Investors State Dispute Settlement System, when it comes to the interview sector, is no longer allowed except for the super majors that contract directly with the Mexican Government. But if you are the oilfield service provider, or the pipeline producer, you are not.

Now I can tell you, Exxon-Mobil can take care of themselves. But if you are the oilfield service provider, you cannot.
And to Senator Whitehouse’s point, my gosh, would it not be great if we were taking that natural gas currently being flared into the atmosphere out of West Texas into Mexico where the Mexican Government could then replace coal or fuel oil being burned with lower greenhouse gas emitting natural gas?

Now only would we not flare in the decipermian, but we would be substituting that for a higher greenhouse gas producing fuel in Mexico. But we do not have the Investor State Dispute Settlement System for the person that builds that pipeline.

Now they are going to do so anyway, I gather, but if it is later nationalized there is no recourse for them. I cannot help but notice that the House got a lot of stuff, because the House actually had the ability to say we are not going to do this unless we get -- unless we get all demands met.

We have not had that ability. So we have not had that ability to say wait a second. This does not make sense. The super majors can take care of themselves, but the oilfield service provider, or the pipeline builder, less so. And that could have benefits not just for our economy, not just for the certainty for the Mexican economy for investment, but also for issues such as climate change.
I am very disturbed by that, and I think we continue to cede power from this committee to others to the detriment of our society. I yield back.

The Chairman. Okay, now for the people that are at the table for the next part of our review, we have Mayur Patel of the Republican staff; and Greta Peisch of the Democratic staff. We also have John Melle and Maria Pagan from the Office of the U.S. Trade Representative here to answer questions.

Thank you all for participating, and we are going to ask Mr. Patel to give a brief overview of the bill before we go to questions. And when we go to questions, I will call on you the way you asked recognition. Mr. Patel?

Mr. Patel. Thank you, Chairman Grassley, Ranking Member Wyden, members of the committee.

I will start with a general overview, and then proceed to discuss the titles of the bill. The USMCA implementing bill ensures that the various commitments and rights of the United States under USMCA are effectively implemented. And, that there is a smooth transition from NAFTA to USMCA.

To that end, the implementing bill contains provisions implementing that USMCA commitment, provisions to transfer and amend former NAFTA
implementation act provisions into the USMCA Implementation Act, and a provision to repeal what remains of the NAFTA Implementation Act. Several provisions specify particular effective dates to facilitate the transition.

With respect to the specific titles in the bill, there are nine, which I will briefly summarize.

Title I, Approval of and General Provisions Relating to the USMCA. This title includes provisions providing for Congress’s approval of the USMCA and related protocols, and a statement of administrative action, and the President’s Tariff Proclamation authority and agencies’ regulatory authority to implement USMCA.

Title II, Customs Provisions. This title includes provisions providing for rules to determine whether a good qualifies for USMCA’s benefits, including special rules that apply to automotive goods, the establishment of an interagency committee to review USMCA’s implementation, an operation with respect to automotive goods, record-keeping requirements on persons completing USMCA’s certifications, and authority for the Secretary of Treasury to conduct verification actions on USMCA preferential duty claims.

Title III, Application of USMCA Spectrum and Services. This title includes provisions establishing a
process with U.S. International Trade Commission to investigate whether Mexican trucking carriers are causing material harm to the U.S. long haul trucking industry.

Title IV, Antidumping and Countervailing Duties. This title includes provisions providing for the Commissioner of U.S. Customs and Border Protection to take into consideration that Canada and Mexico are USMCA parties for purposes of trade enforcement and compliance assessment, activities relating to evasion of antidumping and countervailing duties. It also includes conforming amendments to reflect that the binational panel system under Chapter 19 of NAFTA will continue under Chapter 10 of USMCA.

Title V, Transfer Provisions and Other Amendments. This title includes provisions that transfer and amend provisions from the NAFTA Implementation Act into the USMCA Implementation Act, such as provisions dealing with duty drawback and relief from import competition under the Trade Act of 1974.

Title VI, Transition To and Extension of USMCA. This title has three subtitles.

Subtitle A repeals the NAFTA Implementation Act and provides for the continued suspension of the U.S.-Canada Free Trade Agreement.
Subtitle B imposes requirements on the President to consult with the appropriate Congressional committees regarding actions to the USMCA Joint Review Mechanism, including whether to extend the term of USMCA.

Subtitle C provides that the USMCA Implementation Act will cease to have force to any country that is no longer a USMCA country, or if the USMCA ceases to be in force with respect to the United States.

Title VII, Labor Monitoring and Enforcements. This title has five subtitles relating to labor rights and obligations under USMCA.

Subtitle A establishes an interagency labor committee for monitoring and enforcement. It will coordinate implementation and compliance for labor obligations, make recommendations to USTR for enforcement actions, and facilitate submissions to the public regarding USMCA countries’ potential failure to implement its labor obligations under the Agreement.

Subtitle B provides that the Secretary of Labor will hire or assign five labor attaches to assist the Interagency Labor Committee. The attaches will be based at the U.S. Embassy in Mexico.

Subtitle C establishes an independent Mexico Labor Expert Board that will issue assessments of Mexico’s efforts to implement its labor reforms in compliance
Subtitle D establishes a Labor Enforcement Task Force to monitor U.S. enforcement on the prohibition of importation of goods manufactured by convict or forced labor.

Subtitle E concerns the rapid response mechanisms set forth in Annex 31-A of the USMCA, in particular the provisions provide USTR authority to suspend liquidation of entries of goods from covered facilities and apply final remedies only if a panel of independent expert labor experts finds a denial of rights.

Title VIII, Environment Monitoring and Enforcement.
This title has three subtitles relating to environmental obligations under USMCA.

Subtitle A establishes an Interagency Environment Committee for monitoring and enforcement. The committee shall carry out an assessment of whether USMCA countries’ environmental laws are sufficient to meet USMCA’s obligations.

Subtitle B provides that the EPA Administrator shall carry out treatment works to address pollution resulting from the international transbattery water flows from Mexico.

Subtitle C provides for capital reauthorization for the North American Development Bank.
And Title IX, USMCA’s Supplemental Appropriations Act 2019. This title appropriates $843 million to implement, monitor, and enforce USMCA’s labor and environment obligations, and to recapitalize the North American Development Bank.

Mr. Chairman, that concludes my presentation of the bill. Thank you.

The Chairman. Senator Toomey.

Senator Toomey. Mr. Chairman, I have a question and I would like to follow that up with an amendment that I understand you are going to rule out of order. So let me direct my question to Mr. Melle.

Could you just tell me, what was the date on which the complete, final legal text of the Agreement was transmitted to Congress?

Mr. Melle. May 30th of last year, along with a draft SAA.

Senator Toomey. Okay, so my colleagues, I just listened to, I think, every single Democrat on this panel talk about how significant, meaningful, important the changes in the Agreement were that occurred after May 30th.

I heard many of my Democratic colleagues say that they opposed the May 30th Agreement, but I think I heard most of my Democratic colleagues say that they now
support the Agreement because of all the major changes that have occurred. We all know that is what happened here. We had an Agreement on May 30th that was not acceptable to most Democrats, not acceptable to the Speaker of the House.

And so negotiations continued with Bob Lighthizer and Speaker Pelosi and other figures, I do not know who they were, and major changes were negotiated. That is all fine. That is all fine. But the problem is, those changes were not finalized until December 10th.

Transmit that -- all of those changes that you folks have said are the reason you are supporting this came to us on December 11th. And TPA is very clear. It says that any agreement shall enter into force if and only if the President at least 30 days before submitting to Congress the materials under subparagraph (e), which is the implementing bill, submits to Congress a copy of the final legal text of the Agreement.

We all know that that final legal text was not here until December 11th. The House voted anyway a week later. And here we are today totally jammed by the House and this process, not even able to offer an amendment.

Senator Cassidy suggested an idea for an amendment that certainly ought to have merited some consideration
by this committee, and I have a suggestion. And to illustrate this point, I am going to offer this amendment, Mr. Chairman, because as I indicated earlier, USMCA expires in 16 years unless all three parties simultaneously and mutually agree to extend it for 6 years, okay?

Well the implementing bill is silent on any process by which the U.S. would come to the decision as to whether or not to extend it for another six years. All it does, it states that the head of state, that is the President, will transmit the decision, but it does not say how we get to that decision. So who is going to decide?

Does the President decide? Does Congress have any say in that at all? Or are we just passive witnesses, bystanders, while others decide about our Constitutional responsibility? Do you think there is a chance it could be disputed? I do.

So I have an amendment. It is Toomey Amendment No. 1. And it says: The Amendment would insert at 621, Section 621, language requiring both Houses of Congress to affirmatively vote to have USMCA expire pursuant to the underlying agreement’s sunset clause. In the absence of said Congressional votes, the default U.S. position shall be that USMCA ought to be extended for
another six years.

So all this does is it says that Congress gets to decide, or at least play a role in making the decision about whether or not this Agreement is extended or expires. It does not require renegotiating the Agreement. It does not require reopening. Nobody has to fly to Mexico to determine whether it is okay with the Mexicans. This is our decision, the United States of America, and the question is whether or not Congress would have a role.

This is the kind of thing that in a proper mock markup I think we would have an interesting discussion. There is nothing partisan about this idea, by the way, nothing at all. I could imagine this could come out in many ways. It is exactly the kind of thing that ought to be debated and adjudicated in this committee, in my view. And I would like to have a vote on this, Mr. Chairman.

The Chairman. Okay, well first of all, the bill is privileged under the Trade Promotion Authority and thus amendments are prohibited. The amendment is out of order and Toomey is in his right to appeal the ruling of the Chair, and I would ask that we would vote no on that motion. The Clerk will call the roll.

Senator Toomey. Mr. Chairman, as I thought my staff
had indicated, I am prepared not to appeal the ruling of
the Chair on this. I think I know what the outcome is
going to be on this. But I want to make a point.

The fact that the 30-day window was not adhered to
means this legislation is not compliant with TPA. We
should not be considering it under TPA, and that is not
going to stop it from passing. There are 60 votes that
do this to regular order. But this amendment is I think
a completely reasonable, germane, relevant issue that
ought to be litigated by the committee.

The Chairman. I would like to, just for a minute,
speak to the point that Mr. Toomey made in regard to the
substance of his amendment. I want to note that the
administration, at my request, revised the bill to
include Section 611 to ensure that Congress and the
administration work together in any decision regarding
extending USMCA’s terms. This is another example of how
the administration consulted with Congress in developing
the bill.

Senator Menendez?

Senator Menendez. Thank you, Mr. Chairman. I have
one or two questions.

Ms. Peisch, yesterday ProPublica published a story
that showed how big, well-connected businesses have been
able to hire expensive trade lobbyists to advocate for
their tariff exclusions, while small businesses are struggling to navigate the process and are being hit hard by the impact of tariffs.

The article notes how Apple, for example, took its case directly to the President and got a significant number of exclusions approved.

Meanwhile, small businesses like my constituents in New Jersey have had to wait months for an answer, and have no way of knowing how USTR will judge their applications.

So, Mr. Chairman, I ask unanimous consent that the article be entered into the record.

The Chairman. Without objection, it will be entered.

[The ProPublica article appears at the end of the transcript.]

Senator Menendez. No one can say that this is a fair, transparent way to conduct trade policy. And we already have evidence from the Department of Commerce’s Inspector General that the Commerce Section 232 exclusion process lacks transparency and, quote, “contributes to the appearance of improper influence in decision-making.”

Would it be fair to say that establishing, as we are talking about, the implementation of this ultimate trade
Agreement, that establishing an Inspector General for USTR would help correct the lack of transparency and appearance of favoritism that so many small businesses in New Jersey and across the country feel is taking place with the USTR’s tariff exclusion process?

Ms. Peisch. Yes, Senator, it would.

Senator Menendez. Let me ask you one other question. This bill gives USTR a number of new authorities to implement USMCA. But as I discussed in my opening statement, we cannot be sure that USTR will implement it as written without strong oversight that ensure transparency and accountability.

Ms. Peisch, Title VII of this bill sets out the mechanism for labor monitoring and enforcement. Could an inspector general review USTR’s compliance with these requirements to ensure labor cases are being appropriately examined and acted upon?

Ms. Peisch. Yes.

Senator Menendez. Section 202 of the bill sets out procedures USTR must follow to consider requests by automotive companies for additional time to comply with USMCA’s new and complex rules of origin. Could an inspector general review USTR’s procedure to ensure this is done fairly and transparently?

Ms. Peisch. Yes.
Senator Menendez. And finally, Title IX appropriates $90 million to USTR to monitor and enforce labor and environmental obligations. Could an inspector general audit USTR’s use of these funds to ensure that they are used as Congress instructed?

Ms. Peisch. Yes, it could.

Senator Menendez. So, Mr. Chairman, voting on USMCA does not mean our work is finished. A strong --

[Off-microphone comment.]

Senator Menendez. Oh, okay, I am. I am just simply suggesting that voting on USMCA does not mean that our work is finished. A strong oversight will be critical to ensure this Agreement succeeds, and an inspector general for USTR would be a valuable tool this committee could use to make sure our trade policy actually benefits American working families.

I know the chairman has been a strong advocate of inspector generals and their work in other areas, and I look forward to working with you and the ranking member to follow up on this issue.

The Chairman. We will do that, Senator Menendez.

Senator Wyden. And, Mr. Chairman, if I --

The Chairman. Senator Wyden.

Senator Wyden. If I might, I am going to be very, very brief. Not only do I agree with Senator Menendez,
but on this committee Senator Cornyn and Senator Casey I think have really been vigorous in terms of enforcement, trade enforcement. So they are going to have some heavy lifting to do in the days ahead, and Senator Menendez is very much on point.

The Chairman. Senator Brown, and then Senator Portman.

Senator Brown. Thank you, Mr. Chairman. Thank you, Rob. I would like to ask a few questions about Brown-Wyden to you, Ms. Peisch, if I could, about the provisions included in the Agreement to make sure the committee and all of us understand how the proposal is intended to work and why it is significant.

Senator Wyden and I pushed for Brown-Wyden to strengthen labor enforcement, to make the enforcement process more accessible to workers. The question is:

Ms. Peisch, is it true that under Brown-Wyden a worker herself, himself, can file a complaint through a hotline to kickstart the enforcement process?

Ms. Peisch. Yes, Senator.

Senator Brown. Thank you. In all of your other FTAs, the only labor enforcement available was at the government level. A government can bring a case against another government for systemic labor violations, but that has been it in the past. Brown-Wyden changes that
by allowing us to target specific private sector facilities.

Can you tell us, Ms. Peisch, how long the enforcement process in Brown-Wyden will take once that worker files a complaint through the hotline? And how does that compare to the length of time for enforcement under other free trade agreements?

Ms. Peisch. Enforcement under the Brown-Wyden procedures would take a matter of months, approximately around 150 days. This is significantly shorter than state to state dispute settlement, which in the case of the United States’ case against Guatemala it took over eight years.

Senator Brown. Thank you. One of the most ground-breaking parts of Brown-Wyden is it will allow us to take enforcement actions when the violations occur on the factory floor. So if worker reports violation of his rights to organize at say a call center, we think the complaint has merit, the U.S. can send a panel of labor inspectors to that facility. Correct?

Ms. Peisch. Correct.

Senator Brown. And if those labor inspectors find violations on the site when they inspect the facility, we can take action against that specific facility. Correct?
Ms. Peisch. Correct.

Senator Brown. What kinds of actions can we take against that facility? If you would, explain that.

Ms. Peisch. The United States could impose tariffs or apply penalties for first-time offenders, including with respect to imports for which the United States has suspended liquidation during the course of that investigation.

Senator Brown. So in proportional terms, proportional to the offense, but then in the second and third beyond that, correct?

Ms. Peisch. That is correct.

Senator Brown. So if we find there are labor violations at a car factory, we can apply that penalty to any cars that might come into the U.S. from that factory throughout the investigation, not just going forward? Correct?

Ms. Peisch. Correct.

Senator Brown. And what happens to repeat offenders? Does a violation have to happen at the same factory for it to be considered a repeat offense? Or is it considered a repeat offense if a violation occurs at a second or a third factory owned by the same company?

Ms. Peisch. It is the latter. If it is a factory owned by the same company, it is not a facility-specific
repeat offense; it is by the owner.

Senator Brown. And if there are three violations, what happens by the third?

Ms. Peisch. For three violations, the United States would have the ability to block goods, again from the company not the specific facility, for that third violation.

Senator Brown. Is this the -- after walking through this, is this the strongest labor enforcement ever included in a trade agreement, to your knowledge?

Ms. Peisch. Yes, it is.

Senator Brown. Do you think Brown-Wyden will cause corporations to think twice about offshoring productions from Ohio, or Michigan, or Kansas, or Idaho, or Iowa, or Oregon, to Mexico so they can maximize their profits?

Ms. Peisch. Yes, I do.

Senator Brown. Thank you, Mr. Chairman.

The Chairman. Senator Portman?

Senator Portman. Thank you, Mr. Chairman. I would like to ask about digital trade, Mr. Melle, since I talked about you earlier I would love to have your response to this, but also any others.

One, can you talk to us a little bit about how the digital trade provisions in here are different? And, specifically, would you say that they go beyond the
digital trade commitments in TPP, as an example, and therefore would be the highest quality digital trade chapters in any U.S. trade agreement?

Mr. Melle. Certainly. Again, the NAFTA is an old agreement, and so we have updated it. Digital is certainly one area where trade has expanded considerably and where we need additional disciplines to reflect that change. And so we have captured those in the USMCA Agreement. Let me turn to my cheat sheet here.

Senator Portman. John, while you are doing that, let me just make the point that this is not just an idle threat. In Canada for years it has been talking about the possibility of putting in place a digital services tax, as an example. We have seen what is happening in Europe.

So for every member of this panel, I have a lot of constituents who are involved in Internet services, Internet trade. This is a big deal because it establishes not just for a huge market like Canada or Mexico, our number one trading partners combined, but also for future trade agreements, a new precedent.

And my question is: Is this precedent unprecedented? In other words, is it the highest quality digital trade chapter we have?

Mr. Melle. Absolutely. As a general matter, we
took what we had begun to negotiate in the TPP in our other agreements and we plussed that up whenever that was possible, and that is certainly the case in the USMCA as compared to the prior agreements that we negotiated.

So the disciplines are certainly going beyond what we negotiated in the TPP and any other trade agreement, for that matter.

Senator Portman. Okay. With regard to auto rules of origin, we talked about this earlier in the free rider issue. One of my concerns about the rules of origin is that other countries take advantage of the trade agreement we have, in this case primarily with Mexico but also Canada, and they bring auto parts in from other countries, China being the country that is probably the most -- used the most frequently. And then car, in essence, is not a North American car. It is a North American car in terms of its benefits that it gets from the reduction and really the zeroing out of the tariffs, but in essence other countries are free riding on our agreement with Canada and Mexico.

And that is why I did support raising the percentage of the car that has to be made in North America. And I think that makes sense from a trade point of view, if you want to expand trade, because then these other
countries have to realize that if they want to take advantage of these bigger openings in our market, they should do a trade agreement with us. And then we get reciprocal access to their markets as well because they are not providing any of that reciprocity by just free riding on the North American Free Trade Agreement.

Can you talk a little bit about that, or someone else on the panel here, and explain what that is going to mean in terms of auto production in the United States? Will that increase the amount of auto production in the United States because we have higher and tighter rules of origin?

Mr. Melle. You are exactly right, Senator. The goal of the Free Trade Agreement is to encourage trade among the partners that have negotiated that agreement and that have made concessions to one another to put that agreement into place.

In the case of the auto sector, we have a very vibrant, large, and well-integrated North American industry. So in my mind there is no better candidate for rules of origin that continue to build on that integration and encourage additional investment, innovation, production, and supply chains in North America.

So the original NAFTA had a regional value
requirement of 62-1/2 percent, and there were some
loopholes that allowed some components to be made
offshore and count towards that, or not be counted
against that number. The new total will be 75 percent.

The other point I would make is there was a
transition period to get to that. We have additional
requirements. You mentioned the steel. There is also an
aluminum requirement. There is also a wage requirement.
There are other requirements on making core parts for an
automotive vehicle. All of those are intended to be phased in over a period of time.

We have been working with all the producers and with
the suppliers in the auto industry throughout this
process to make sure we are getting the balance right in
terms of encouraging investment in North America, and
especially in the United States -- not penalizing their
competitiveness and keeping and expanding the auto
industry in the United States.

We expect billions and billions of additional
investments to be made largely in the United States as a
result of these provisions. We paid particular attention
to new technologies, batteries, electric vehicles for
example to make sure we set ground rules that encourage
that investment and that innovation in the United States
and to North America.
Senator Portman. Well thank you very much. Again, I commend you and your colleagues for focusing on this issue of manufacturing particular automobiles, and the opportunity to have in a sense a renaissance of manufacturing here in this country. Thank you, Mr. Chairman.

The Chairman. Before I call on Senator Carper, let me say how I think this meeting will end. We want all questions, because Senator Toomey has asked for the courtesy of making the last statement, or whatever he wants to do before we vote.

So I will call on Senator Carper, and then if anybody else has questions, let me know so we can honor Senator Toomey.

Go ahead, Senator Carper.

Senator Carper. Thanks, Mr. Chairman. I want to join my colleagues in welcoming Ben Sasse to our committee. It is great to have you with us, Ben. You will add a lot, I am sure. Thank you for joining us.

Mr. Chairman, I want to ask unanimous consent that my written statement be entered into the record. I spoke earlier today, but I did not ask unanimous consent that my written statement be entered into the record and I would like to do that at this time.

I want to reiterate, since Sheldon Whitehouse was
not in the room when I spoke earlier, I commended him, Ben Cardin, and other members of the Environment and Public Works Committee, all of our staffs, for working so hard to make sure that there was not only adequate language in the USMCA with respect to environmental protections, but we actually provided the money to make those protections real.

One quick question, if I could, of our panel. Can any of you recall anything that Satchel Paige ever said with respect to birthdays? Any words of wisdom from Satchel Paige with respect to birthdays? Can any of you recall that? Satchel Paige, on the 59th birthday of John Thune, which is today, I would just remember the words of Satchel Paige who once said “How old would you be if you did not know how old you were? Work like you don’t need the money. Dance like nobody’s looking. Love like you’ve never been hurt. Live each day like it’s your last. And some day you’ll be right.”

And with those words of Satchel Paige to my friend, John Thune, Happy Birthday, John.

Senator Wyden. Mr. Chairman, if I could, Senator Thune is also celebrating his birthday with an important provision in this Agreement, the de minimis provision, that helped a lot of small businesses and I congratulate him for his leadership.
The Chairman. Okay, Senator Lankford.

Senator Lankford. I have just two quick questions on this.

The Chairman. Oh, by the way, Senator Carper’s statement will be entered in the record, without objections.

[The prepared statement of Senator Carper appears at the end of the transcript.]

Senator Lankford. I just want to ask for additional clarification on the intellectual property. There has been much spoken about the protection of IP and what that means, and the additional layers on that, and I have one follow-up question after that.

Mr. Melle. Well, there are a number of improvements we have made in this Agreement. Again, NAFTA is a very old agreement, and in IP terms perhaps ancient applies to that.

So some of the upgrades that we have included here: the minimum terms of protection for copyright works, for authorship, is plus 70 years and is 75 years from publication.

We have added new deterrent, civil and criminal penalties for camcording, which has been a particular problem in this area in recent years.

There is authority now for border enforcement
officials to stop goods that are suspected of being pirated or counterfeited at points of entry. We do not have that authority without this Agreement. We have the highest standards --

Senator Lankford. That is for all three nations, by the way.

Mr. Melle. Correct. Yes. All of these would be applied across the board by all three countries.

We have the highest standards for procedural safeguards regarding geographical indication. Again, that is an important issue with respect to some other trading partners outside of North America.

We have got the strongest standards in any U.S. trade agreement for the protection of trade secrets against misappropriation, with civil and criminal causes of action, litigation protections, and so forth.

I am going on at great length. Just a couple of more very quickly. There are both criminal and civil remedies for cable and satellite signal theft. There is full national treatment to prevent discrimination against U.S. protectors. And there is strong protection against circumvention of technological protection to protect digital content.

So those are the highlights of this new chapter that go beyond the original agreement.
Senator Lankford. Thank you. I have one additional follow-up. There are seven treaties that are mentioned in the Protocol Amendment. Are there any additional American obligations for those seven existing treaties? Those treaties are mentioned, but are there additional American obligations that are added in this Agreement?

Mr. Melle. Right. There are no additional U.S. obligations.

Senator Lankford. Thank you.

The Chairman. Senator Cornyn, yes.

Senator Cornyn. Mr. Chairman, thank you. I will be brief. I alluded to this in my opening statement, but I just want to perhaps provide a little additional clarification.

Mr. Melle, the concern has to do with respect to distilled spirits, in this case Sotol. Apparently this would also apply to other distilled spirits, but since this is a distilled spirit that comes from 22 different plant species that grow naturally on both sides of the U.S. and Mexico border, there is concern about U.S. recognition of Sotol as a distinctive product of Mexico, and whether it would contravene the purposes of 27 USC Section 205(e) under which the Secretary of the Treasury is charged with developing regulations on packaging, marketing, branding, and labeling as will prohibit
Are you familiar with that issue? I believe that is the subject of a letter by the USTR. And again, I appreciate the chairman working with us on the report language to make sure that the Congressional intent is upheld, and that deception is avoided.

But would you care to shed some light or thoughts on that?

Mr. Melle. Certainly, Senator. Yes, there was a side letter that was signed with Mexico as part of the negotiation package, and we did agree to undertake to initiate a review of three distilled spirits that are made in Mexico.

But we did nothing to change the U.S. process for conducting that review. We have no obligation to any particular outcome from any of those who refuse, and certainly we will follow U.S. law practice, and that includes certainly an opportunity for public comment and participation.

Senator Cornyn. Thank you. Mr. Chairman, for those members of the committee who have never consumed Sotol, I would recommend it to them.

[Laughter.]

The Chairman. Okay. Is it okay now to go to
Senator Toomey? Senator Toomey?

    Senator Toomey. Thank you very much, Mr. Chairman, and colleagues on the committee. I will be very brief. I would just like to engage in a brief colloquy to determine if the chairman and the ranking member agree that the absence of a mock markup should not be considered a precedent for how we in this committee will deal with future trade agreements under TPA.

    The Chairman. Well, TPA prohibits amendments and does not require a mock markup. Mock markups are optional. They can be an important tool for Congress to share its views with the Executive Branch to fulfill its purposes. A mock markup has to happen before the introduction of a bill. We are obviously well past that now.

    Congress has shared its views on USMCA for over a year. Critically, this administration has acted in response by implementing bipartisan feedback into the bill. In this very unique situation, there was no time for a mock markup.

    These unique circumstances should not be considered precedent for future FTA considerations. But we have weighed in formally through hearings and informally through meetings with the administration for over a year.
Now we should proceed to deliver on USMCA, which is indisputably valuable to the American people.

Senator Wyden?

Senator Wyden. Senator Toomey, I largely agree with the chairman on this, and I would only add that I think mock markups are a valuable part of the process, and I am committed to more mock markups in the future.

The Chairman. Now I would like to have the roll call. Will the clerk call the roll?

The Clerk. Mr. Crapo?

Senator Crapo. Aye.

The Clerk. Mr. Crapo, aye. Mr. Roberts?

Senator Roberts. Aye.

The Clerk. Mr. Roberts, aye. Mr. Enzi?

Senator Enzi. Aye.

The Clerk. Mr. Enzi, aye. Mr. Cornyn?

Senator Cornyn. Aye.

The Clerk. Mr. Cornyn, aye. Mr. Thune?

Senator Thune. Aye.

The Clerk. Mr. Thune, aye. Mr. Burr?

[No response.]

The Chairman. Okay, I guess Burr does not have a proxy. Oh, aye by proxy.

The Clerk. Mr. Burr, aye by proxy. Mr. Portman?

Senator Portman. Aye.
The Clerk. Mr. Portman, aye. Mr. Toomey?

Senator Toomey. No.

The Clerk. Mr. Toomey, no. Mr. Scott?

Senator Scott. Aye.

The Clerk. Mr. Scott, aye. Mr. Cassidy?

Senator Cassidy. No.

The Clerk. Mr. Cassidy, no. Mr. Lankford?

Senator Lankford. Aye.

The Clerk. Mr. Lankford, aye. Mr. Daines?


The Clerk. Mr. Daines, aye. Mr. Young?

Senator Young. Aye.

The Clerk. Mr. Young, aye. Mr. Sasse?

Senator Sasse. Aye.

The Clerk. Mr. Sasse, aye. Mr. Wyden?

Senator Wyden. Aye.

The Clerk. Mr. Wyden, aye. Ms. Stabenow?

Senator Stabenow. Aye.

The Clerk. Ms. Stabenow, aye. Ms. Cantwell?

Senator Cantwell. Aye.

The Clerk. Ms. Cantwell, aye. Mr. Menendez?

Senator Menendez. Aye.

The Clerk. Mr. Menendez, aye. Mr. Carper?


The Clerk. Mr. Carper, aye. Mr. Cardin?
Senator Wyden. Aye by proxy.

The Clerk. Mr. Cardin, aye by proxy. Mr. Brown?


The Clerk. Mr. Brown, aye. Mr. Bennet?

Senator Bennet. Aye.

The Clerk. Mr. Bennet, aye. Mr. Casey?

Senator Casey. Aye.

The Clerk. Mr. Casey, aye. Mr. Warner?


The Clerk. Mr. Warner, aye. Mr. Whitehouse?

Senator Whitehouse. No.

The Clerk. Mr. Whitehouse, no. Ms. Hassan?

Senator Hassan. Aye.

The Clerk. Ms. Hassan, aye. Ms. Cortez Masto?

Senator Cortez Masto. Aye.

The Clerk. Ms. Cortez Masto, aye. Mr. Chairman?

The Chairman. Aye.

The Clerk. The chairman votes aye.

The Chairman. Would you announce the vote?

The Clerk. Mr. Chairman, the final total is 25 ayes, 3 nays.

The Chairman. 25 ayes, 3 nays. The bill is reported.

I would like to say thank you to some people. First of all, this is a big bipartisan vote, a reminder that
when Congress works together in a bipartisan way, the American people greatly benefit.

I want to thank my colleagues again for working with the Trump administration and me, and Senator Wyden. I also want to thank members of my Finance Committee trade staff for their very, very hard work. Ranking Member Wyden and his staff have worked with me through this whole process, and I am grateful for that cooperation as well.

I look forward to a vote on the Senate floor, hopefully soon, for final passage. Meeting adjourned.

[Whereupon, at 11:31 a.m., the meeting was concluded.]
STATEMENT OF:

Hon. Chuck Grassley,
a U.S. Senator from Iowa

Hon. Ron Wyden,
a U.S. Senator from Oregon

Hon. Mike Crapo,
a U.S. Senator from Idaho

Hon. Robert Menendez,
a U.S. Senator from New Jersey

Hon. Pat Roberts,
a U.S. Senator from Kansas

Hon. Thomas R. Carper,
a U.S. Senator from Delaware

Hon. John Cornyn,
a U.S. Senator from Texas

Hon. Sherrod Brown,
a U.S. Senator from Ohio
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Political Affiliation</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hon. Michael F. Bennet,</td>
<td>U.S. Senator</td>
<td>Colorado</td>
</tr>
<tr>
<td>2</td>
<td>Hon. John Thune,</td>
<td>U.S. Senator</td>
<td>South Dakota</td>
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<tr>
<td>3</td>
<td>Hon. Rob Portman,</td>
<td>U.S. Senator</td>
<td>Ohio</td>
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<td>4</td>
<td>Hon. Mark R. Warner,</td>
<td>U.S. Senator</td>
<td>Virginia</td>
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<td>5</td>
<td>Hon. James Lankford,</td>
<td>U.S. Senator</td>
<td>Oklahoma</td>
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<td>6</td>
<td>Hon. Maggie Hassan,</td>
<td>U.S. Senator</td>
<td>New Hampshire</td>
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<td>7</td>
<td>Hon. Steve Daines,</td>
<td>U.S. Senator</td>
<td>Montana</td>
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<td>8</td>
<td>Hon. Catherine Cortez Masto,</td>
<td>U.S. Senator</td>
<td>Nevada</td>
</tr>
</tbody>
</table>
STATEMENT OF:

1. Hon. Patrick J. Toomey, a U.S. Senator from Pennsylvania

2. Hon. Robert P. Casey, Jr., a U.S. Senator from Pennsylvania

3. Hon. Ben Sasse, a U.S. Senator from Nebraska

4. Hon. Todd Young, a U.S. Senator from Indiana

5. Hon. Maria Cantwell, a U.S. Senator from Washington

6. Hon. Debbie Stabenow, a U.S. Senator from Michigan

7. Hon. Sheldon Whitehouse, a U.S. Senator from Rhode Island

8. Hon. Tim Scott, a U.S. Senator from South Carolina
STATEMENT OF: Hon. Bill Cassidy, a U.S. Senator from Louisiana
Non-Exhaustive List of National and State Organizations Supporting USMCA

Advanced Medical Technology Association (AdvaMed)
Aerospace Industries Association
AICC, The Independent Packaging Association
Air-Conditioning, Heating and Refrigeration Institute
America Automotive Policy Council
American Apparel & Footwear Association
American Association of Exporters and Importers
American Association of Port Authorities
American Automotive Policy Council
American Bakers Association
American Beverage Association
American Chamber of Commerce Mexico
American Chemistry Council
American Cleaning Institute
American Coatings Association, Inc.
American Composites Manufacturers Association
American Council of Engineering Companies
American Farm Bureau Federation
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Forest & Paper Association
American Frozen Food Institute
American Gas Association
American Iron and Steel Institute
American Petroleum Institute
American Property Casualty Insurance Association
American Seed Trade Association
American Staffing Association
American Trucking Associations
American Wind Energy Association
America’s SBDCs
AMT-The Association for Manufacturing Technology
Associated Equipment Distributors
Associated General Contractors of America
Associated Wire Rope Fabricators
Association for Accessible Medicines
Association of Equipment Manufacturers (AEM)
Association of Home Appliance Manufacturers
Border Trade Alliance
BSA | The Software Alliance
Business Roundtable
Canadian/American Border Trade Alliance
Coalition of Services Industries (CSI)
Computing Technology Industry Association (CompTIA)
Consumer Healthcare Products Association
Consumer Technology Association
Corn Refiners Association
Council for Responsible Nutrition
Council of the Americas
Direct Selling Association
Distilled Spirits Council of the United States
Energy Equipment and Infrastructure Alliance
Fabricators and Manufacturers Association, International
Farm Equipment Manufacturers Association
Farmers for Free Trade
Fibre Box Association
Flexible Packaging Association
Food Marketing Institute
Foodservice Equipment Distributors Association
Global Cold Chain Alliance
Greek American Chamber of Commerce, Inc.
Grocery Manufacturers Association
Hearth, Patio & Barbecue Association
Heating, Air-conditioning, & Refrigeration Distributors International
Household & Commercial Products Association
INDA, Association of the Nonwoven Fabrics Industry
Independent Lubricant Manufacturers Association
Industrial Minerals Association – North America
Industrial Truck Association
Information Technology Industry Council
Institute of Scrap Recycling Industries (ISRI)
Institute of Shortening and Edible Oils
Interlocking Concrete Pavement Institute
International Dairy Foods Association
International Franchise Association
International Warehouse Logistics Association (IWLA)
International Wood Products Association
Internet Association
IPC - Association Connecting Electronics Industries
Irrigation Association
ISSA - The Worldwide Cleaning Industry Association
Metal Powder Industries Federation
Metals Service Center Institute
Motion Picture Association of America
Motor & Equipment Manufacturers Association
NAIOP, the Commercial Real Estate Development Association
National Association of Chain Drug Stores
National Association of Chemical Distributors (NACD)
National Association of District Export Councils
National Association of Foreign-Trade Zones (NAFTZ)
National Association of Manufacturers
National Association of Realtors
National Association of Wheat Growers
National Association of Wholesaler Distributors
National Black Chamber of Commerce
National Confectioners Association
National Corn Growers Association
National Council of Chain Restaurants
National Electrical Manufacturers Association (NEMA)
National Foreign Trade Council
National Glass Association
National Grain and Feed Association
National Independent Automobile Dealers Association
National Investor Relations Institute
National Marine Manufacturers Association
National Mining Association
National Oilseed Processors Association
National Pork Producers Council
National Renderers Association
National Retail Federation
National Roofing Contractors Association
National Small Business Association
National Stone, Sand, and Gravel Association
National Waste & Recycling Association
National Wooden Pallet and Container Association
Non-Ferrous Founders' Society
North American Association of Food Equipment Manufacturers (NAFEM)
North American Center of Excellence for Transportation Equipment
North American Millers' Association
NTEA, The Association for the Work Truck Industry
Outdoor Industry Association
Outdoor Power Equipment Institute
Petroleum Equipment Institute
Plastics Industry Association
Plumbing Manufacturers International
Plumbing-Heating-Cooling Contractors--National Association
PMMI, The Association for Packaging and Processing Technologies
Precision Machined Products Association
Precision Metalforming Association
Railway Supply Institute
Securities Industry and Financial Markets Association (SIFMA)
Security Industry Association
Semiconductor Industry Association
Small Business & Entrepreneurship Council
SNAC International
SOCMA
Specialty Tools & Fasteners Distributors Association (STAFDA)
Steel Manufacturers Association
TechNet
The Aluminum Association
The Fertilizer Institute
The Motion Picture Association of America (MPAA)
The Personal Care Products Council
The Toy Association
Transportation Intermediaries Association
Truck and Engine Manufacturers Association
U.S. Apple Association
U.S. Travel Association
United Fresh Produce Association
United States Council for International Business
Vinyl Institute
Western Growers Association
Window and Door Manufacturers Association

Alaska
Alaska Chamber
Anchorage Chamber of Commerce
Greater Fairbanks Chamber of Commerce

Alabama
Birmingham Business Alliance
Chamber of Commerce Association of Alabama
Coastal Alabama Business Chamber
   Elba Chamber of Commerce
   Mobile Area Chamber of Commerce
   Prattville Area Chamber of Commerce
Selma and Dallas County Chamber of Commerce and Tourism
Information

Arkansas
Arkansas Retail and Grocery Association
Arkansas State Chamber of Commerce and the Associated Industries of Arkansas, Inc.
Fayetteville Chamber of Commerce - Arkansas
   Harrison Regional Chamber of Commerce
   Little Rock Regional Chamber of Commerce
   Rogers-Lowell Area Chamber of Commerce
   Spring River Area Chamber of Commerce

Arizona
Arizona Chamber of Commerce and Industry
   Arizona District Export Council
   Arizona Manufacturers Council
   Buckeye Valley Chamber of Commerce
   Chandler Chamber of Commerce
   Cottonwood Chamber of Commerce
   Gilbert Chamber of Commerce
   Glendale Chamber of Commerce
   Greater Casa Grande Chamber of Commerce
   Greater Flagstaff Chamber of Commerce
   Greater Florence Chamber of Commerce
   Greater Oro Valley Chamber of Commerce
   Greater Phoenix Chamber of Commerce
   Greater Phoenix Economic Council
   Green Valley Sahuarita Chamber of Commerce & Visitor Center
   Lake Havasu Area Chamber of Commerce
   Latina Coalition of Ports & Borders
   Marana Chamber of Commerce
   Mesa Chamber of Commerce
   Nogales-Santa Cruz County Chamber of Commerce
   Peoria Chamber of Commerce
   Queen Creek Chamber of Commerce
   Scottsdale Area Chamber of Commerce
   Southwest Cable Communications Association
   Surprise Regional Chamber of Commerce
   Tempe Chamber of Commerce
   The Arizona Mining Association
The Arizona Rock Products Association
Tucson Hispanic Chamber of Commerce & Affiliates
  Tucson Metro Chamber
  Wickenburg Chamber of Commerce
  Yuma County Chamber of Commerce
California
  Alpine Chamber of Commerce
  Apple Valley Chamber of Commerce
  Bay Area Council
  Brawley Chamber of Commerce
  California Bankers Association
  California Business Roundtable
  California Chamber of Commerce
  California Farm Bureau Federation
California Manufacturers & Technology Association
  California Retailers Association
  Camarillo Chamber of Commerce
  Carlsbad Chamber of Commerce
  Chatsworth Porter Ranch Chamber
  El Centro Chamber of Commerce
  El Dorado County Chamber of Commerce
  Elk Grove Chamber of Commerce
  Foreign Trade Association
  Fresno Chamber of Commerce
  Goleta Chamber of Commerce
Great Coachella Valley Chamber of Commerce
  Greater Bakersfield Chamber of Commerce
  Greater Conejo Valley Chamber of Commerce
  Greater Irvine Chamber of Commerce
  Greater Merced Chamber of Commerce
  Greater Ontario Business Council
  Greater Riverside Chambers of Commerce
  Greater San Fernando Valley Chamber of Commerce
Harbor Association of Industry & Commerce (HAIC)
  Hayward Chamber of Commerce
Hispanic Chamber of Commerce, Silicon Valley
  Inland Empire Economic Partnership
Inland Empire Regional Chamber of Commerce
  Lancaster Chamber of Commerce
Long Beach Area Chamber of Commerce
  Los Angeles Area Chamber of Commerce
  Los Angeles County Business Federation
Murrieta/Wildomar Chamber of Commerce
  Neighborhood Market Association
Newport Beach Chamber of Commerce
North Orange County Chamber of Commerce
North San Diego Business Chamber
Orange County Business Council
Otay Mesa Chamber of Commerce
Oxnard Chamber of Commerce
Palm Desert Area Chamber of Commerce
Pasadena Chamber of Commerce
Pleasanton Chamber of Commerce
Port Hueneme Chamber of Commerce
Port of Long Beach
Rancho Cordova Chamber of Commerce
Redding Chamber of Commerce
Regional Chamber of Commerce – San Gabriel Valley
Sacramento Metro Chamber
San Diego Regional Chamber of Commerce
San Francisco Chamber of Commerce
San Gabriel Valley Economic Partnership
San Juan Capistrano Chamber of Commerce
San Leandro Chamber of Commerce
San Marcos Chamber of Commerce
San Ysidro Chamber of Commerce
Santa Ana Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Santa Paula Chamber of Commerce
Silicon Valley Leadership Group
Simi Valley Chamber of Commerce
South Bay Association of Chambers of Commerce
Southwest California Legislative Council
Sunnyvale Silicon Valley Chamber of Commerce
The Silicon Valley Organization
Torrance Area Chamber of Commerce
Tulare Chamber of Commerce
Valley Industry & Commerce Association
Vista Chamber of Commerce
Yorba Linda Chamber of Commerce

**Colorado**
Aurora Chamber of Commerce
Colorado Business Roundtable
Colorado Chamber of Commerce
Colorado Mining Association
Colorado Springs Chamber & EDC
Denver Metro Chamber of Commerce
Grand Junction Area Chamber of Commerce
Leadville/Lake County Chamber of Commerce
Pueblo Chamber of Commerce
South Metro Denver Chamber of Commerce
Vail Valley Partnership
Westminster Chamber of Commerce

Connecticut
Connecticut Business & Industry Association
Greater New Haven Chamber of Commerce

District of Columbia
D.C. Chamber of Commerce

Delaware
Delaware State Chamber of Commerce

Florida
Boca Raton/Boynton Beach Chamber of Commerce
Central Pinellas Chamber of Commerce
Coral Gables Chamber of Commerce
Florida Chamber of Commerce
Greater Miami Chamber of Commerce
Leesburg Area Chamber of Commerce
Miramar Pembroke Pines Regional Chamber of Commerce
Northeast Polk Chamber of Commerce
North Tampa Bay Chamber
Port Tampa Bay

Georgia
Barrow County Chamber of Commerce
Cobb Chamber of Commerce
DeKalb Chamber of Commerce
Dublin/Laurens Chamber
Georgia Association of Manufacturers
Georgia Chamber of Commerce
Georgia Chemistry Council
Georgia Hispanic Chamber of Commerce
Milledgeville-Baldwin County Chamber of Commerce
Savannah Area Chamber of Commerce
Valdosta-Lowndes County Chamber of Commerce

Hawaii
Chamber of Commerce Hawaii
Kauai Chamber of Commerce
Maui Chamber of Commerce

Iowa
Ames Chamber of Commerce
Cedar Rapids Metro Economic Alliance
Clear Lake Area Chamber of Commerce
Council Bluffs Area Chamber of Commerce
Dubuque Area Chamber of Commerce
Greater Des Moines Partnership
Grow Cedar Valley
Iowa Association of Business and Industry
Iowa Chamber Alliance
Iowa City Area Chamber of Commerce
Marshalltown Area Chamber of Commerce
Mason City Chamber of Commerce
Waverly Chamber of Commerce/Main Street

**Idaho**

Boise Metro Chamber
Idaho Association of Commerce and Industry
Idaho Retailers Association
Caldwell Chamber of Commerce
Pocatello-Chubbuck Chamber of Commerce

**Illinois**

Aurora Regional Chamber of Commerce
Bolingbrook Area Chamber of Commerce
Canton Area Chamber of Commerce
Chemical Industry Council of Illinois
Des Plaines Chamber of Commerce & Industry
Edwardsville/Glen Carbon Chamber of Commerce
Elmhurst Chamber of Commerce & Industry
GOA Regional Business Association
Greater Oak Brook Chamber of Commerce
Highland Chamber of Commerce
Illinois Chamber of Commerce
Illinois Manufacturers’ Association
International Business Council of the Illinois Chamber of Commerce
Joliet Region Chamber of Commerce & Industry
McLean County Chamber of Commerce
Naperville Area Chamber of Commerce
Rolling Meadows Chamber
Sauk Valley Area Chamber of Commerce
The Greater Springfield Chamber of Commerce
Western DuPage Chamber of Commerce
Wheaton Illinois Chamber of Commerce
Winnetka-Northfield Chamber of Commerce

**Indiana**

Indiana Chamber of Commerce
Indiana Manufacturers Association
Indy Chamber
Nappanee Area Chamber of Commerce
New Castle - Henry County Chamber of Commerce  
Seymour Chamber of Commerce  
South Bend Regional Chamber of Commerce  
Spencer County Regional Chamber of Commerce  
Wayne County Area Chamber of Commerce  

**Kansas**  
Grant County Chamber of Commerce & Tourism  
Great Bend Chamber of Commerce & Economic Development  
Greater Topeka Chamber of Commerce  
Kansas Chamber  
Kansas Grain and Feed Assoc., Kansas  
Agribusiness Retailers Assoc., Renew Kansas  
Overland Park Chamber of Commerce  
Wichita Regional Chamber of Commerce  

**Kentucky**  
Christian County Chamber of Commerce  
Commerce Lexington Inc.  
Greater Louisville Inc.  
Kentucky Chamber of Commerce  
Northern Kentucky Chamber of Commerce  
Paducah Area Chamber of Commerce  
Union County KY Chamber of Commerce  
West Kentucky Regional Chamber Alliance  

**Louisiana**  
Baton Rouge Area Chamber  
Bossier Chamber of Commerce  
Central Chamber of Commerce  
Central Louisiana Regional Chamber of Commerce  
Chamber Southwest Louisiana  
Committee of 100 for Economic Development, Inc.  
Greater Shreveport Chamber of Commerce  
Louisiana Association of Business and Industry  
Louisiana Chemical Association  
Louisiana Retailers Association  
Monroe Chamber of Commerce  
New Orleans Chamber of Commerce  
River Region Chamber of Commerce  
St. Tammany Chamber of Commerce  

**Maine**  
Maine State Chamber of Commerce  

**Maryland**  
Central Maryland Chamber  
Harford County Chamber of Commerce  
Maryland Chamber of Commerce
Massachusetts
Associated Industries of Massachusetts
Cape Cod Chamber of Commerce
Greater Boston Chamber of Commerce
Metro South Chamber of Commerce
Neponset River Regional Chamber
Orleans Chamber of Commerce
Retailers Association of Massachusetts
SouthCoast Chamber
The New England Council

Michigan
Adrian Area Chamber of Commerce
Battle Creek Area Chamber of Commerce
Bay Area Chamber of Commerce
Bellaire Chamber of Commerce
Dearborn Area Chamber of Commerce
Detroit Regional Chamber
Fenton & Linden Chamber of Commerce
Grand Rapids Chamber
Greater Brighton Area Chamber of Commerce
Lansing Regional Chamber
Michigan Chamber of Commerce
Michigan Chemistry Council
Michigan Manufacturers Association
Michigan Retailers Association
Michigan West Coast Chamber of Commerce
Saginaw County Chamber of Commerce

Minnesota
Bemidji Area Chamber of Commerce
Fargo Moorhead West Fargo Chamber of Commerce
Fergus Falls Area Chamber of Commerce
Grand Rapids Area Chamber
International Falls Area Chamber of Commerce
Marshall Area Chamber of Commerce
Minnesota Chamber of Commerce
Minnesota Retailers Association
St. Cloud Area Chamber of Commerce
Twin West Chamber of Commerce
Willmar Lakes Area Chamber of Commerce

Missouri
Associated Industries of Missouri
Branson/Lakes Area Chamber of Commerce & CVB
Chesterfield Chamber of Commerce
Lee’s Summit Chamber of Commerce
Missouri Chamber of Commerce and Industry
   St. Joseph Chamber of Commerce
   St. Louis Regional Chamber
The Greater Kansas City Chamber of Commerce

Mississippi
   Mississippi Economic Council
   Mississippi Manufacturers Association
   Washington County Economic Alliance

Montana
   Big Sky Chamber of Commerce
   Billings Chamber of Commerce
   Bozeman Area Chamber of Commerce
   Kalispell Chamber of Commerce
   Montana Chamber of Commerce

North Carolina
   Asheville Area Chamber of Commerce
   Benson Area Chamber of Commerce
   Greater Durham Chamber of Commerce
   Moore County Chamber of Commerce
   NC Chamber
   North Carolina Retail Merchants Association
   Rutherford County Chamber of Commerce
   Triangle East Chamber of Commerce
   Wake Forest Chamber of Commerce

North Dakota
   Bismarck Mandan Chamber EDC
   Greater North Dakota Chamber
   The Chamber - Grand Forks/East Grand Forks

Nebraska
   Columbus Area Chamber of Commerce
   Greater Omaha Chamber
   Kearney Area Chamber of Commerce
   Lincoln Chamber of Commerce
   Nebraska Chamber of Commerce & Industry
   Nebraska Retail Federation
   North Platte Area Chamber & Development Corporation
   Scottsbluff/Gering United Chamber

New Hampshire
   Business & Industry Association of New Hampshire

New Jersey
   Gateway Regional Chamber of Commerce
   Hudson County Chamber of Commerce
   Newark Regional Business Partnership
   New Jersey Business & Industry Association
New Mexico
Farmington Chamber of Commerce
Greater Albuquerque Chamber of Commerce
New Mexico Association of Commerce and Industry
New Mexico Bankers Association
New Mexico Business Coalition (NMBC)
New Mexico Mining Association
Silver City Grant County Chamber of Commerce

Nevada
Carson City Chamber of Commerce
Carson Valley Chamber of Commerce
Las Vegas Metro Chamber of Commerce
Nevada Manufacturers Association
Retail Association of Nevada
The Reno + Sparks Chamber of Commerce
White Pine Chamber of Commerce

New York
Albany Port District Commission
Buffalo Niagara International Trade Gateway Organization, Inc.
Buffalo Niagara Manufacturing Alliance
Buffalo Niagara Partnership
Capital Region Chamber
Chemung County Chamber of Commerce
Manufacturers Association of the Southern Tier
New York Bankers Association
New York State Chemistry Council
North Country Chamber of Commerce
Partnership for New York City
Quebec-New York Corridor Coalition
The Brooklyn Chamber of Commerce
The Business Council of NYS, Inc.
World Trade Center Buffalo Niagara

Ohio
Chillicothe Ross Chamber of Commerce
Cincinnati USA Regional Chamber
Columbus Chamber of Commerce
Dayton Area Chamber of Commerce
Greater Akron Chamber
Greater Hamilton Chamber of Commerce
Lima Allen County Chamber of Commerce
Ohio Business Roundtable
Ohio Chamber of Commerce
Ohio Chemistry Technology Council
Ohio Council of Retail Merchants
Ohio Manufacturers’ Association
Union County Chamber of Commerce
Youngstown/Warren Regional Chamber

Oklahoma
Ardmore Chamber of Commerce
Blackwell Industrial Authority
Edmond Chamber of Commerce
Greater Oklahoma City Chamber
Oklahoma Retail Merchants Association
State Chamber of Oklahoma
Tulsa Regional Chamber

Oregon
Beaverton Area Chamber of Commerce
Hillsboro Chamber
La Pine Chamber of Commerce
Lincoln City Chamber of Commerce
Oregon Business & Industry
Oregon State Chamber of Commerce
Pacific Northwest International Trade Association
Portland Business Alliance
The Chamber of Medford/Jackson County
Tualatin Chamber of Commerce

Pennsylvania
Beaver County Chamber of Commerce
Chester County Chamber of Business & Industry
Clarion Area Chamber of Business & Industry
Delaware County Chamber of Commerce
Greater Pittsburgh Chamber of Commerce
Greater Reading Chamber Alliance
Greencastle-Antrim Chamber of Commerce
Hanover Area Chamber of Commerce
Harrisburg Regional Chamber & CREDC
Juniata River Valley Chamber of Commerce
Indian Valley Chamber of Commerce
Lancaster (PA) Chamber
Maritime Exchange for the Delaware River and Bay
Northeast PA Manufacturers & Employers Association
Orwigsburg Borough
Pennsylvania Chamber of Business and Industry
Schuylkill Chamber of Commerce
TriCounty Area Chamber of Commerce
York County Economic Alliance
Puerto Rico
Puerto Rico Chamber of Commerce

Rhode Island
East Greenwich Chamber of Commerce
East Providence Area Chamber of Commerce
Greater Cranston Chamber of Commerce
Newport County Chamber of Commerce
Rhode Island Manufacturers Association

South Carolina
Charleston Metro Chamber of Commerce
Greater Lexington Chamber of Commerce
Greenville Chamber of Commerce
Myrtle Beach Area Chamber of Commerce
South Carolina Chamber of Commerce

South Dakota
Brookings Area Chamber of Commerce
Rapid City Area Chamber of Commerce
Sioux Falls Area Chamber of Commerce
South Dakota Bankers Association
South Dakota Retailers Association
Yankton Area Chamber of Commerce

Tennessee
Blount Chamber of Commerce
Johnson City/Jonesborough/Wash. County
Kingsport Chamber of Commerce
Tennessee Business Roundtable
Tennessee Chamber of Commerce & Industry

Texas
Austin Regional Manufacturers Association
Bay City Chamber of Commerce and Agriculture
Brownsville Chamber of Commerce
Cedar Park Chamber of Commerce
Conroe/Lake Conroe Chamber of Commerce
Dallas Regional Chamber
El Paso Chamber
Fort Bend Chamber
Frisco Chamber of Commerce
Fulshear Katy Area Chamber of Commerce
Grapevine Chamber of Commerce
Greater Arlington Chamber of Commerce
Greater Austin Chamber of Commerce
Greater Austin Hispanic Chamber of Commerce
Greater Dallas Hispanic Chamber of Commerce
Greater Irving–Las Colinas Chamber of Commerce
Greater Killeen Chamber of Commerce
Greater Orange Area Chamber of Commerce
Greater Port Arthur Chamber of Commerce
Greater Taylor Chamber of Commerce & Visitor Center
Greater Tomball Area Chamber of Commerce
Greater Waco Chamber of Commerce
Hurst Euless Bedford Chamber of Commerce
Irving Hispanic Chamber of Commerce
Irving Hispanic Chamber of Commerce, Chair of the Board
Lake Houston Area Chamber of Commerce
Lamesa Area Chamber of Commerce
Laredo Chamber of Commerce
Laredo Motor Carriers Association
Longview TX Chamber of Commerce
Lubbock Chamber of Commerce
McAllen Chamber Of Commerce
Midland Chamber of Commerce
Nacogdoches County Chamber of Commerce
Nederland Chamber of Commerce and Tourist Bureau
North San Antonio Chamber of Commerce
North Texas Commission
Palacios Chamber of Commerce
Plano Chamber of Commerce
Port of Corpus Christi
Rio Grande Valley Partnership
San Antonio Hispanic Chamber of Commerce
Sealy Chamber of Commerce
Sherman Chamber of Commerce
South Padre Island Chamber of Commerce
South San Antonio Chamber of Commerce
Texas Association of Manufacturers
Texas Association of Business
Texas Business Leadership Council
Texas City - La Marque Chamber of Commerce
Texas Retailers Association
The Borderplex Alliance
The San Antonio Chamber of Commerce
The Woodlands Area Chamber of Commerce
Tyler Area Chamber of Commerce
United Corpus Christi Chamber of Commerce

Utah

Cache Valley Chamber of Commerce
Cedar City Chamber of Commerce
ChamberWest
Davis Chamber of Commerce
Draper Area Chamber of Commerce
Salt Lake Chamber
Sandy Area Chamber of Commerce
South Salt Lake Chamber of Commerce
Utah Valley Chamber of Commerce
Vernal Area Chamber of Commerce
West Jordan Chamber of Commerce
World Trade Center Utah

Virginia
Greater Springfield Chamber of Commerce
Halifax County Chamber of Commerce
Hampton Roads Chamber
Loudoun County Chamber of Commerce
Lynchburg Regional Business Alliance
New Kent Chamber of Commerce
Roanoke Regional Chamber of Commerce
Virginia Chamber of Commerce
Virginia Hispanic Chamber
Virginia Manufacturers Association

Vermont
Central VT Chamber of Commerce
Vermont Retail & Grocers Association

Washington
Association of Washington Business
Auburn Chamber of Commerce
Bellingham Regional Chamber of Commerce
Economic Alliance Snohomish County
Ferndale Chamber of Commerce
Greater Spokane Inc.
Greater Spokane Valley Chamber of Commerce
Greater Vancouver Chamber of Commerce
Greater Yakima Chamber of Commerce
Lakewood Chamber of Commerce
Lewis Clark Valley Chamber of Commerce
Pasco Chamber of Commerce
Port of Longview
Port of Vancouver USA
Pullman Chamber of Commerce
Puyallup Sumner Chamber of Commerce
Tacoma-Pierce County Chamber
Tri-City Regional Chamber of Commerce
Washington Council on International Trade
Washington Retail Association
**Wisconsin**
Beaver Dam Chamber of Commerce
Eau Claire Area Chamber of Commerce
Envision Greater Fond du Lac
Greater Green Bay Chamber
Kenosha Area Chamber of Commerce
Metropolitan Milwaukee Association of Commerce
Oshkosh Chamber of Commerce
Racine Area Manufacturers and Commerce
Rice Lake Chamber of Commerce
Wisconsin Manufacturers & Commerce

**West Virginia**
West Virginia Chamber of Commerce

**Wyoming**
Campbell County Chamber of Commerce
Jackson Hole Chamber of Commerce
Sheridan County Chamber of Commerce
Wyoming State Chamber of Commerce
From ProPublica

How Trump’s Trade War Is Making Lobbyists Rich and Slamming Small Businesses

Washington’s influence industry, including former Trump officials and allies, has made big money helping companies get exemptions from tariffs — sometimes by undercutting small business owners like Mike Elrod.

By Lydia DePillis

January 6, 2020

ProPublica is a nonprofit newsroom that investigates abuses of power. Sign up to receive our biggest stories as soon as they’re published.

Mike Elrod, is the founder of Eccotemp, a small firm that makes tankless water heaters.

Mike Elrod voted for Donald Trump in 2016, hoping for a break from tight government oversight that his business had endured for years, which he often found unreasonable.

“There was a time when every day I dreaded opening the mail,” said Elrod, who founded a small firm in South Carolina called Eccotemp that makes energy-efficient, tankless water heaters. “The Department of Energy would put in an arbitrary rule and then come back the next day and say, ‘You’re not in compliance.’ We had no input into what was changing and when the change was taking place.”

Elrod also thought that big businesses had long been able to buy their way out of problems, either by spending lots of money on compliance or on lobbyists to look for loopholes and apply political pressure. Trump, of course, had promised to address that — to “drain the swamp.”

Elrod is in his mid-60s, tall with a white beard and deliberative drawl. He trusted the president even as Trump started a trade war with China, where Elrod manufactures his
heaters. The administration said U.S. companies that could prove they had no other source for their imports and whose business would be gravely injured could be spared the punishing tariffs that Trump was imposing. They would simply have to file for an exemption.

“I had every reason to believe they were talking about us,” Elrod said. Eccotemp had spent 15 years developing different models of tankless heaters with manufacturers in China. Simply finding new factories in other countries seemed impossible.

So in the summer of 2018, Elrod settled in at his desk, strewn with brass valves, a pressure tester and a smiling jade Buddha from a Chinese supplier, and began typing. He and his dozen U.S. employees — designers, engineers, salespeople and customer service representatives — operate out of a squat cinder block building in a woodsy suburb of Charleston that used to be a film studio and now doubles as a distribution warehouse.

In letters to the Office of the U.S. Trade Representative, Elrod asked that gas-powered water heaters be exempted from the administration’s 25% tariffs, writing that the cost would be “devastating” for the company’s balance sheet. “We had all the boxes checked,” Elrod said. “Or so I thought.”

The process didn’t go as he expected. It’s the stuff that libertarians like Elrod dread: Low-level staffers with limited industry knowledge issuing seemingly arbitrary decisions that can save or smash a company’s bottom line.

Every few weeks, a list comes out with a new batch of lucky winners, and losers. “Non-electrical wall candelabras, of wood, each with 3 wrought iron candle holders” received a pass, for example, but none with one or two candles.

There is no mechanism for appeals.

“Devastating to Our Company”
In a letter beginning “Dear Sirs,” Eccotemp founder Mike Elrod requests tariff exclusions, making the case that Asian multinational companies with overseas relationships and production hubs win from tariffs while small businesses and American consumers lose. Read the entire letter.
Overall, Trump’s tariffs have not had the effect that the self-described “Tariff Man” promised. Companies have moved manufacturing out of China—and it has mostly gone to Vietnam, Taiwan and Mexico. Tariffs are chiefly behind a months-long decline in domestic manufacturing, Federal Reserve researchers have found. The total loss of jobs across the economy may be as high as 300,000.

But constantly up-in-the-air trade agreements and the byzantine, opaque exclusion process has been a blessing for one set of players: Washington’s influence industry, including the firms of former Trump officials and allies like inauguration committee chief Brian Ballard, former White House chief of staff Reince Priebus and Trump fundraiser Marc Lampkin.

Ballard was once Trump’s lobbyist in Florida. He’s since been dubbed “the most powerful lobbyist in Trump’s Washington.” A cancer therapy firm, Varian Medical Systems, paid Ballard and a colleague $540,000 to lobby the White House, the trade office and Vice President Mike Pence on trade issues, filings show. The outreach included a meeting with Trump’s director of trade and manufacturing policy, Peter Navarro.

Since then, four of Varian’s five exclusion requests have been approved—which, the company said in an SEC filing, boosted revenues by $23 million. (Navarro said he doesn’t intervene in the exclusion process.)

Priebus’ firm, Michael Best Strategies, was hired by a Wisconsin company, Primex, to handle exemptions for its timekeeping and temperature measurement devices. “You’re not gonna do it on your own,” Primex CEO Paul Shekoski said in an
interview. “It’s suicide actually.”

Shekoski said he wanted help understanding the process and making sure all the requests were filed correctly. With Michael Best’s guidance, he personally wrote letters to and met with his representatives in Washington.

The collective effort may have made it all the way to the Oval Office. Shekoski said in an email last fall that he heard from his lobbyist at Michael Best, Denise Bode, that Sen. Ron Johnson, R-Wis. cited Primex as an example of a Wisconsin company suffering from tariffs when the senator took the issue to the president. “He not only called USTR, he was able to bring our specific case up to Trump directly,” Shekoski said. Bode did not respond to a request for comment, and a Johnson spokesman did not respond to questions about the Trump contact, saying only that Johnson had advocated for many Wisconsin companies.

Days before this story was published, Shekoski denied knowing whether Johnson brought up the issue with Trump. He said he was just trying to give his elected representatives concrete stories about small businesses struggling with tariffs that they could use to advocate for tariff relief.

Lobbying records show that Primex paid Priebus’ firm, Michael Best Strategies, $85,000 in 2018 and 2019 for its services. “I’m not selling access,” Priebus once told Politico. “I’m merely providing strategic advice and helping them handle their problems.” (Neither Priebus nor the White House responded to requests for comment.)

Primex got mixed results, with about half of its 205 exclusion requests granted and half denied.

Disclosure rules don’t require companies to say how much money they’ve spent lobbying on exclusions specifically. But records compiled by the Center for Responsive Politics show that the number of clients lobbying on tariffs and other trade issues are higher than any year on record. In 2018, the number jumped by 28% to 1,372, and 2019 will significantly exceed that once final figures are in.

Number of Clients Lobbying on Tariffs and Trade Nearly Highest
on Record
There is also no comprehensive picture yet of how companies that have hired lobbyists have fared compared with those that haven’t. But there is evidence that agencies have bent the rules. In October, a government watchdog found that Commerce Department officials had secretly changed the rules for one exclusion category after “off-the-record” discussions with a favored company, creating a “perception of undue influence.”

Companies with enough resources and savvy can not only push their own cases, they can work to undermine those of competitors. Elrod began to understand that in early August. He had been on the trade office’s website, waiting to see if he would get his exclusion and watching for requests from competitors, when he noticed that an industry giant had formally objected to his application.

Rheem Manufacturing Company is a Japanese-owned conglomerate and one of the world’s largest producers of water heaters, including in the United States. It challenged Elrod and a handful of other companies that had claimed they couldn’t find alternative sources for their products outside of China, arguing that Elrod could find suppliers in Japan, Germany and South Korea—or buy from Rheem itself.

“The Allegation Is Unsupported”
Rheem’s response objecting to Eccotemp’s request is written in formal language, complete with citations, and addressed directly to “the Honorable Robert E. Lighthizer,” the U.S. trade representative. Rheem, a Japanese-owned conglomerate, lists several international manufacturers Eccotemp could do business with outside of China, noting Rheem itself also has spare capacity.
Elrod quickly fired back with another letter, laying out how difficult and expensive it would be in practice to move production to another country. Amid a rush out of China, factories in Vietnam are holding out for enormous orders and shunning the relatively small quantities that Eccotemp imports. Plus, after developing his heaters over more than a decade with a handful of suppliers, finding one that could meet his exacting standards would require months of tests and new certifications.

That did not sway the government’s trade office, the USTR, which in late September posted a one-page form letter saying that Elrod had failed to demonstrate his products weren’t available outside of China. Thinking that his original ask for exclusions might have been too broad, Elrod then filed individual requests for several of his models, hoping the government might exempt at least a few of them.

“My Company Must Compete With Multinationals”
Elrod fights back, saying that mimicking the supply chain of a company like Rheem is “financially impossible” for Eccotemp.

But Rheem had reinforcements. New comments in opposition arrived on the letterhead of King & Spalding, a law firm with sleek offices across the street from the White House and a complement of former government officials. Stephen Vaughn had left the firm in 2017 to serve on the administration’s “beachhead team” at USTR, served as the agency’s general counsel — where he oversaw the exclusion process — and then rejoined the firm in 2019.

Fees paid for legal services aren’t public, but records show
that Rheem spent $610,000 on lobbying on all federal issues in 2018. Neither Rheem nor Vaughn responded to requests for comment.

“I don’t have anyone on Pennsylvania Avenue,” Elrod said. “That letter probably cost them more than we’ve spent on legal expenses in the last five years.”

“Therefore, Should Be Denied”
Attorneys from King & Spalding, a law firm with offices across the street from the White House, argue to Lighthizer that Eccotemp’s individual requests contain no new evidence that it can’t source its products outside of China.

His concern growing, Elrod met a staffer in the district office of Sen. Lindsey Graham, R-S.C., and asked for a letter of support. He inquired with USTR about testifying at one of the agency’s multiday hearings on its sweeping tariff action.

Nothing worked. He didn’t make the witness list for USTR’s hearings, but the head of Rheem’s air conditioning division did. South Carolina’s Department of Commerce wrote letters on behalf of large employers like the fiberglass manufacturer China Jushi, but for the first few rounds of tariffs, no letters for small companies appear in the public record. (A spokeswoman said the state had written letters for “companies of various sizes and with varying numbers of employees.”)

Graham, who had filed seven letters supporting companies with a presence in South Carolina — several of them multinational or foreign-owned — also didn’t help.

“Lindsey Graham really did kick it to the curb,” Elrod said. (A spokesman for Graham did not respond to a request for further
Finally, in November, the trade office rejected all of Elrod’s requests for relief in the same terse fashion it had the first. “After careful consideration, your request was denied because the request failed to show that this particular product is available only from China,” the letter read.

As a result, Eccotemp would get back none of the hundreds of thousands of dollars in duties that it had already paid out, and the bleeding would continue. Its profit margins vaporized and its employee head count sank by about 30%, as the company opted not to replace departing staff.

For a while after receiving the denials, Elrod carefully watched the steady stream of response letters posted on the federal regulations portal, in case another company received an exclusion that would also cover his products. But no relevant approvals appeared.

Elrod has appreciated how under Trump, other regulators have been more business friendly. The government pesters him much less these days about energy and environmental rules. “Then you’ve got the USTR and the whole tariff thing that’s just a crusher,” he said.
“People our size, that don’t have K Street lawyers,” said Elrod, referring to the center of Washington’s lobbying industry. “We’re the ones that bear the brunt, we’re the ones that have the least tools in the box to work with.”

It’s not often that K Street gets handed the type of business development opportunity that Trump’s volatile trade policy offers.

With new tariffs being announced and lifted on a few days notice and trade agreements constantly being renegotiated, companies have scrambled to protect themselves. Tariff exclusions are highly sought after because they offer a huge competitive advantage — especially if a rival still has to pay. The review of exclusions is happening on a compressed time schedule, with little warning before tariffs and a complex set of rules that few people understand go into effect. And there are no second chances.

“When you’re running a process that has no appellate review, there’s a lot of room for questionable behavior because there’s no one really checking the process,” said one former USTR official who spoke on the condition of anonymity. “It’s common knowledge in town that the best way to get a leg up on an exclusion request is to get a Republican House or Senate member to call the White House.”

Members of Congress frequently work the bureaucracy on their constituents’ behalf, but there’s a particularly large pile of money on the line with trade. So far, Trump’s new tariffs amount to an $88 billion annual tax increase for U.S. companies, according to the Tax Foundation.

Just understanding the complexities of the process can require a specialized trade lawyer. Often, multiple importers will request exclusions for similar products. A reviewer at USTR’s Washington office might grant one company’s request and reject another’s, but anyone may take advantage of the resulting exclusion and request a refund of all the duties it paid on that product, which means keeping a close eye on the Federal Register. (The Commerce Department runs the exclusion process for steel and aluminum tariffs, and under its rules, exclusions are company-specific.)

Companies that can’t afford their own lobbyists often go
through their trade associations, which can help open doors on the Hill on behalf of an industry’s interests. Still, even the trade groups are often baffled at why decisions come down the way they do. The National Marine Manufacturers Association has seen confoundingly mixed results — a fish finder is excluded while a depth finder isn’t, for example.

“We can’t make heads or tails out of why that happens,” said John-Michael Donahue, the association’s communications director. “I don’t think there’s a lack of help from Congress being loud about this issue, it’s more getting through to the administration and figuring out what the next step is in their mind.”

Some companies don’t need members of Congress or trade associations to make their case. Apple, for example, got 10 out of the 15 exclusions it asked for on items like computer chargers and mice, with 11 yet to be decided. The company spends more than $6 million on lobbying overall each year. Its CEO, Tim Cook, has met with Trump several times and the president cited Apple’s exclusion approvals during a public event at its Texas production facility.

“It’s difficult for me to see how this is a fair and transparent process,” said Nicole Bivens Collinson, head of the international trade and government relations practice for Sandler, Travis & Rosenberg. “When you’ve got Tim Cook who’s able to go in and meet with the president and get an exclusion, and someone who’s a very small company trying to submit through the regular process, and this is going to have a huge impact on their business.”

The federal government last set up an exclusion process in 2001, when George W. Bush imposed tariffs of up to 30% on $15 billion worth of steel imports in an attempt to bolster flagging mills. About half of the goods originally covered by the measure were exempted, which was one reason why the tariffs ultimately didn’t arrest the steel industry’s decline.

Trump’s tariffs are much less discriminate. Hefty new duties now cover about $364 billion worth of imports, or 12% of the overseas products Americans buy in a year. The tariffs don’t just fall on finished goods, like toasters or water heaters. They also cover many of product components, from motherboards
to heat exchangers.

Samples of Eccotemp’s tankless water heaters, which are manufactured into finished goods in China. Moving production to another country would require months of tests and new certifications. (Leslie McKellar for ProPublica)

Because they’re so sweeping, the Commerce Department and USTR have been flooded with clemency pleas. As of mid-December, steel and aluminum users had requested exclusions on about 152,000 specific products. With two-thirds of the requests decided, about 79% had been approved. Importers of goods from China had requested about 44,000 exclusions, of which 43% had been decided and 35% approved, with a final round of exclusions under way.

For the first two rounds of China tariffs, which are worth about $50 billion in imports, the Peterson Institute for International Economics estimated that USTR had excluded products worth about $12.8 billion, in what it called “a substantial off-budget concession to lucky firms.”

Many of those affected simply submitted no requests, figuring they had slim chances of success. A handful of businesses submitted thousands, especially industrial suppliers that globally source tools and parts and distribute them to U.S. manufacturers, since a separate application was needed for every possible product variation. A single company — AEP Holdings, a private equity-owned supplier of aftermarket car parts — filed more than 10,000 exclusion requests. So far, about 2,600 have been denied and only a handful approved.
Adjudicating each request is an enormous undertaking, and the federal government was ill-prepared.

The Commerce Department at first had projected that it would see only about 4,500 applications — a threshold that was passed almost instantly. According to a regulatory filing, USTR estimated that each exclusion request would take applicants two hours to prepare, at a cost of $200 each, and two and a half hours for USTR to process. For the China tariffs, adjudicating cases is expected to take 175,000 staff hours over the course of a year, at a cost of $9.7 million.

To keep up, agencies have had to borrow staff from other departments and brought on dozens of contractors, giving them a crash course in tariff codes. ("The internet is useful to research the product," reads one set of instructions for reviewers obtained by ProPublica.) There is no hard completion deadline, and companies can only track their applications’ progress via an online portal.

Very often, at least with the steel and aluminum process run by the Commerce Department, it was hard to believe that parties were being considered equally.

Christine McDaniel, an economist and a senior fellow at the Mercatus Center at George Mason University, has found that requests are rarely granted if objections are filed. A handful of steel producers have objected to thousands of applications, claiming that the importers should get no relief because U.S. manufacturers could make the necessary items. But McDaniel poked a hole in their argument: Added together, the producers’ claims far exceed what they’re realistically able to produce.

"It’s nearly costless for these guys to file objections, but the objection can prevent a company from getting its steel," McDaniel said.

Capitol Hill has noticed. In early 2018, after receiving complaints from steel importers, Rep. Jackie Walorski, R-Ind., sent letters to the Commerce Department detailing problems with evaluations. The process had been a “masterclass in government inefficiency and plagued by maddening inconsistency,” she wrote in April. After receiving no formal responses, on Oct. 17 she wrote in exasperation, “It is difficult not to believe that
there is a finger on the scale favoring objectors."

In one letter, Walorski cited the case of National Tool & Manufacturing Company, a 45-person firm based in East Dundee, Illinois, that found itself in a fight with a multinational metals titan.

National Tool requested an exemption on a specialty grade of steel it buys in Italy and distributes to companies that make injection molds. EDRO Specialty Steels, which is owned by the Austrian conglomerate Voestalpine AG, objected on the grounds that it could produce the steel National Tool needed in the U.S. National Tool’s request was denied, so it had to keep eating the 25% tariff.

Then, EDRO itself requested exclusions for the raw material it imports from Slovenia to produce its proposed substitute — showing that the product it said it could supply wasn’t entirely American-made after all. (EDRO said this summary was “incomplete,” but declined to comment further.)

National Tool President Eric Sandberg suspects his exclusion request never had a chance.

“It truly is one of these big vs. small battles,” Sandberg said. “Because one of those big three companies wrote a letter, done. Without investigation, it was just done. It really feels like the government is working against you.”

In late October, the Commerce Department wrote back to Rep. Walorski, tersely rejecting her complaint. But Walorski’s concern was merited. On Oct. 28, the agency’s inspector general issued an alert finding that steel producers had back channel communications with Commerce Department staff that swayed their decisions. For example, the inspector general found that criteria for evaluating exclusions had been changed at an objector’s request, before decisions were posted publicly.

That apparent bias has percolated out to some Washington insiders, who see the steel and aluminum exclusion process as so slanted toward U.S. producers that it’s not worth the trouble. “I wouldn’t take anybody’s money against the U.S. steel industry,” said one prominent D.C. lobbyist who spoke on the condition of anonymity. “We say no a lot.”
Throughout his career, Mike Elrod has tried to follow the incentives that American trade policy has created for U.S. businesses.

In the 1990s, he owned a factory that made industrial rainwear. After China’s entry into the World Trade Organization in 2001, which locked in low tariff rates, Elrod’s biggest client decided to relocate production there. “It killed the company,” Elrod said. “There was nowhere else to go.”

After that, Elrod decided to start importing from China himself, setting up a business that manufactured precision metal components before finding a type of water heater that he thought would sell well in the U.S.. Founded in 2006, Eccotemp grew steadily, adding people, new models and distribution centers overseas, to the point where Elrod started thinking about setting up assembly operations in the U.S. Even if labor is more expensive, not having to wait four months for new orders to ship across the world would allow him to more closely control inventory levels and turn around design changes faster.

Instead of accelerating that plan, however, Trump’s tariffs on Chinese imports took it off the drawing board. If the only place to get components is China, the duties would make bringing them into the U.S. for final assembly cost-prohibitive.

Elrod in Eccotemp’s lobby. He has spent 15 years developing the company’s products. (Leslie McKellar for ProPublica)

As the trade war began, Elrod had been looking forward to
retirement. As soon as the tariffs were announced, Elrod and his successor as CEO, Joe Bolognue, had to formulate a new business strategy based on a 25% hike in the cost of goods: More higher-margin products, more non-U.S. sales, leaner operations.

They don’t want to walk away from the brand they’ve built, or put their employees out of work. “We don’t have the luxury to say, ‘We’re going out of business,’” Bolognue said. “We just don’t make as much money as we used to.”

The tariffs have also created other problems, like Chinese manufacturers selling directly into the U.S. on Amazon or Alibaba rather than going through companies like Eccotemp. They still have to pay tariffs, but they can undercut prices by avoiding one layer of markups.

Since the tariff decisions came down, Elrod has moved to Georgia and isn’t as involved in day-to-day operations. But he’s still heavily invested in the company, financially and emotionally. That’s why it was particularly devastating when the tariffs killed a potential deal to sell Eccotemp to a private equity firm, which would have allowed it to keep growing while ensuring his retirement.

“That’s usually what people see as the pot of gold at the end of the rainbow,” Elrod said. “My net worth, you’re sitting in it. I don’t have a 401(k). Everything that I’ve ever done has flown back into this business. I don’t have enough runway to do it again.”

Elrod says that despite it all, he still plans to vote for Trump in November, citing the administration’s friendlier stance to his company on regulations. As for draining the swamp, Elrod doesn’t blame the president.

“Maybe if Trump moved the capital to Dallas and put everyone with a DC address on the Do Not Fly List, maybe,” Elrod said. “You get all the justice you can afford.”
Let me start by saying that, while I support the new North American Free Trade Agreement (NAFTA), if truth be known, I’m not really sure that we should be here voting on this agreement in the first place.

The fact is, former Trade Rep. Michael Froman already re-negotiated NAFTA – it’s called the Trans-Pacific Partnership (TPP).

But unfortunately, President Trump foolishly pulled out of that deal.

That being said, I am glad that an agreement could be reached on the new NAFTA.

I applaud the significant improvements that congressional Democrats worked with Ambassador Lighthizer to incorporate and that an overwhelming bipartisan majority in the House approved back in December.

After all, a vote of 385 to 41 speaks volumes, especially in today’s day and age.

As the Ranking Member of the Environment and Public Works Committee, I have a particular interest in the environment chapter of the new NAFTA.

Did we get everything we wanted with respect to the treaty’s environmental provisions? No.

Many of us on EPW would have much preferred the agreement to re-commit the United States to the Paris Climate Agreement.

And, we would have liked to ratify the Kigali Amendment – a global treaty to limit the use of hydrofluorocarbons, or HFCs.

But, with that being said, there are clear environmental wins in this deal, some of which have never been included in our trade agreements before.

For example, we included a brand-new enforcement mechanism that gives environmental stakeholders a direct role in enforcement matters for the first time.

Additionally, we’ve included 88 million new dollars dedicated to environmental monitoring and enforcement.

I’m proud to have worked with Senator Cardin, as well as House Democrats – including Representatives Neal, Blumenauer, Bonamici, and Larson – to develop these proposals.

These new tools and resources will hold the Administration accountable for enforcement of
the deal’s environmental obligations and will help to ensure that those that break the rules can be held accountable.

I will be voting “yes” on the new NAFTA, and I urge my colleagues to do the same.

But a ‘yes’ vote will not negate the two years of uncertainty that American farmers, manufacturers, retailers, and small businesses have faced as a result of President Trump’s haphazard trade wars.

And where have these trade wars gotten us?

A limited agreement with Japan that merely attempts to cover up some of the negative effects the withdrawal from TPP has had on our economy and our global competitiveness.

And a “phase one” China trade deal that appears to fall far short of the one President Trump has promised.

As we enter this new year and new decade, I sincerely hope that President Trump will return to a multilateral approach where the United States works with our allies and trading partners to constructively write the global rules of trade.

An old African proverb comes to mind: “If you want to travel fast, travel alone. If you want to travel far, travel together.”
I have fought on behalf of workers and workers’ rights in every public office I have held. As Auditor General of Pennsylvania, I opposed NAFTA in 1997. I believed then that it was a bad deal for Pennsylvania workers.

Pennsylvanians have paid a high price after recent trade deals have been implemented. The Economic Policy Institute (EPI) estimates that NAFTA displaced 850,000 jobs nationally, most of them in manufacturing. According to a 2015 EPI report, Pennsylvania has lost 314,000 manufacturing jobs (5.7% of total employment) between 1998 and 2013.

When President Trump came into office, I was hopeful he would stay true to his word on trade and make good on his campaign promises to renegotiate NAFTA and get a better deal for American workers and companies. Instead, it became clear that he would support just about anything and try to call it a “win” for workers. Just a little over a year ago, President Trump signed a “new” NAFTA, which was effectively a retread of TPP. While some provisions were improved, they were unenforceable and therefore meaningless. Once again, large corporations prevailed. It is only because Democrats revolted and refused to let President Trump leave workers behind that the real work of rewriting NAFTA began.

Through this work, most especially that of Speaker Pelosi, House Democrats and Senators Brown and Wyden, the USMCA is fully enforceable and provides new avenues for workers to bring cases against firms that violate their rights. I also commend USTR Lighthizer who has been a good faith partner in this effort.

Only through the Herculean efforts of Democrats and the men and women of American labor unions, was the trade agreement that President Trump brought to Congress in 2018 improved enough to pass both houses of Congress. It is only because of the substantial improvements that I will support this agreement.

In addition to major improvements on labor and environment, the USMCA also provides certainty for our farmers, who continue to struggle in the face of unpredictable markets and the devastating effects of climate change. Agriculture is a critical industry in Pennsylvania, and this agreement helps to provide certainty for the farm economy.

While this new agreement is a step forward for American workers and companies, we must be clear-eyed on what it does not do. This agreement will not fix outsourcing, it will not do nearly enough to bring jobs home, or rebuild our communities that have been decimated by trade.

1 https://ideas.repec.org/a/elg/rokejn/v2y2014i4p429-441.html
The agreement also doesn’t do enough on the environment. We know that a global temperature increase of 1.5 degree Celsius (2.7 Fahrenheit) will result in catastrophic impacts to the global economy, food security and world populations – climate change will exacerbate drought and floods that displace millions, and could spark conflicts the world over. Yet this agreement fails to recognize the impacts of climate change and the role our Nation must play in addressing the systemic effects of climate change on every aspect of our lives and economy.

Despite its shortcomings, the agreement is a measurable improvement and represents a step forward in what worker-focused trade proposals should look like in the future. We cannot for a moment pretend that this is all that we need to do for working families here at home. We must be vigilant to ensure the mistakes of the past aren’t repeated and new ones aren’t made.

The President says he’s for workers, but he seems to work only for corporations. In fact, in almost every respect, the President has taken steps to damage the livelihoods of working people.

1. President Trump gave large multinationals tax incentives to offshore manufacturing.3
2. This Administration is gutting Department of Labor regulations that protect workers’ health and safety.
3. President Trump eliminated the deduction for union dues.
4. President Trump is trying to decimate the Affordable Care Act.
5. President Trump has appointed anti-worker, corporate judges to every level of our Nation’s courts.

The original agreement the President signed in October 2018 contained zero improvements to trade enforcement and was deficient in both labor and environment protections. Democrats and labor unions are the only reason this agreement has enforceable labor standards.

Without our efforts, the President would have left workers behind in his NAFTA re-write, just like he is leaving workers’ and families’ health and economic security behind by trying to decimate the Affordable Care Act.

The President said he would improve health care, yet he supports legislation and a lawsuit that will destroy health care for workers and the middle class. He said he would “not touch” Medicare and Medicaid; his budget cuts these vital health care programs by $2.3 trillion.

His corporate tax bill creates new avenues for companies to outsource jobs and manufacturing,4 which no trade agreement can undo.

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This vote is not the end of the fight, it is the beginning.

We must enact legislation to aid workers and trade affected communities. I will soon reintroduce the Community Economic Assistance Act, which aims to do just that. I urge my colleagues to support this bill and other legislation to provide help to workers and their communities adversely impacted by trade and other economic hardship.

We must fight to ensure wages rise here at home by raising the minimum wage and providing a real middle class tax cut.

We must reverse the damage of Trump’s signature tax bill which has supercharged investment in overseas operations and the associated threat of outsourcing.

And we must ensure the Mexican government implements and fully enforces their labor laws now and in the future.

We also must do more to align our trade policies with our national priorities. I will soon introduce a package of legislation to do just that.

(1) Supplemental Rules of Origin to restrict access for non-market economies: Any future trade agreement must include rules of origin requirements related to non-market economies, like China. Countries that flout global economic norms and standards should not be able to take advantage of backdoors into the US market.

(2) Women’s economic participation and non-discrimination: Any future trade deal and trade preference programs must contain fully enforceable provisions relating to non-discrimination, violence and harassment in the workplace and provide for full and equal economic participation for men and women. I will soon introduce legislation which will do just that.

(3) Labor standards and women’s rights first: Before the United States enters into any future trade agreement, we must have assurances that any Nation that wants preferential access to our market meets minimum standards for worker rights and women’s rights.

(4) Wage increases: We must begin to reverse the damage from the 2017 tax bill. Starting with giving workers a raise. This proposal will eliminate the massive corporate giveaway for corporations unless firms have profit sharing plans with their employees. Companies have shown us exactly what they did with their tax cut: more investments overseas, less money spent at home.5

5 ibid
We must continue to press forward on the good work by Democrats that has gone into this agreement -- it is an important step, but it is not the last.

This may be the best deal we can get out of Republicans, but it is far from the best deal we should get for the American people. I will continue to fight to that end.