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Wyden Hearing Statement at Finance Committee Hearing on the President's Trade Agenda *As Prepared for Delivery*

This morning the Finance Committee is joined by Ambassador Tai to discuss the trade agenda for the year ahead.

The Biden administration, from the get-go, had a difficult job to do with respect to trade. The Trump administration's chaotic approach turned some of our trade rivals into outright adversaries, and many of our friends into rivals.

Now the United States needs to kick into a higher gear with smarter, more innovative approaches to trade, which will deliver real results for American workers, farmers and businesses.

There are big issues to address. For example, China continues to put up barriers to American products and American values, while ripping off jobs using forced labor and undermining free speech. Its discriminatory model is spreading. Even our allies in the European Union and Canada are drafting laws intended to limit our digital companies' ability to do business in their jurisdiction while shielding their own companies.

Today, I'm outlining a three-part strategy to get more Americans back in the winner's circle.

First, the administration needs to ramp up enforcement of the trade laws that are already on the books – across the board.

Let's start with USMCA. Senator Brown and I fought for stronger, faster-acting enforcement tools like the Rapid Response Mechanism. That's part of what makes USMCA the most pro-labor trade agreement in U.S. history. Ambassador Tai has used the Brown-Wyden mechanism to get some key wins to stop labor violations in Mexico. And she's worked to help Pacific Northwest dairy farmers get into the Canadian market.

Now Ambassador Tai needs to go further and enforce every provision of every chapter of USMCA.

An example: Mexico is flouting its USMCA obligations by shutting out American renewable energy providers. It's bad for the economy and the environment. During last year's trade agenda hearing, I asked Ambassador Tai to take action. The U.S. did request consultations with Mexico in July 2022, but

eight months have passed. American clean energy producers are still waiting for access. In my view, it's long past time to say enough is enough and escalate this into a real dispute settlement case.

The administration also needs to step up enforcement beyond USMCA to defend American workers and businesses from unfair trade practices, wherever they are happening. To that end, the Biden administration has yet to bring a single case before the WTO. There's no question that the WTO needs reform, but if the U.S. doesn't press its case, we're stuck on defense. I want this country playing offense on trade.

Second, the administration needs to make opening export markets a priority. USMCA is proof that U.S. trade policy can raise the bar on labor and environmental standards and bust down barriers to American exports – at the same time.

However, I have real concerns that USTR isn't doing enough to break down barriers our exporters face. For example, there's old red tape preventing Eastern Oregon potato farmers from shipping fresh potatoes into Japan. That's an estimated \$150 million market. Pacific Northwest apples and pears are blocked from the behemoth Australian market. Oregon wheat – upwards of 90 percent of which is exported – suffers from high tariffs in markets around the Pacific Rim. Vietnam has a litany of restrictive digital practices that hurt Oregon start-ups. The administration should be taking every opportunity to fix these issues — but it isn't clear USTR is even discussing them as part of its Indo-Pacific Framework.

I'll draw a line here – the U.S. cannot conclude agreements with Japan, Indonesia, or the EU that leave issues facing our exporters unaddressed.

Third, getting trade done right will require creative approaches to new challenges.

Whether it's shoring up our supply chains, promoting access to critical minerals, or addressing climate impacts of leading industries, smart trade policies can be part of the solution. I'm glad Ambassador Tai and her team are thinking outside the box, but what's needed are real answers on how her proposals will work in practice.

The administration must deliver new markets – like the Middle East and Africa – and trade in new products – like renewable technology and digital services – in a way that quickly pushes the American economy forward. Meeting that challenge will require strategy with our allies and partnership with Congress.

That brings me to my final point. The Executive Branch has begun to embrace a “go it alone” trade policy. Let me be clear: Congress' role in U.S. trade policy is defined by the Constitution. It's right there in Article I, Section 8. That is black-letter law, and it's unacceptable to suggest otherwise. It's my expectation that Ambassador Tai and this Committee can begin to chart a new path forward when it comes to transparency, consultation, and ultimately, approval of trade agreements. I appreciate Senator Menendez's leadership to get us there.

I want to thank Ambassador Tai for joining the committee today, and I look forward to our discussion.

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