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**Wyden Statement on the Need for Strong Trade Enforcement**  
*As Prepared for Delivery*

Much of the recent debate in Congress over international trade has focused on agreements currently in the works, including the Trans Pacific Partnership and the Transatlantic Trade and Investment Partnership. Not enough time is spent on the trade agreements already in place - have they created American jobs, have they boosted our economy, are they being effectively enforced?

While I intend for the Finance Committee to examine all aspects of U.S. trade policy, today it will focus on enforcement. Without strong enforcement, no trade deal – old or new – is able to live up to its potential for jobs and economic growth. And it becomes extraordinarily difficult to build support for new agreements. Foreign nations will continue locking American goods and services out of their markets.

And foreign companies that get unfair backing from their own governments will continue undercutting our manufacturers, farmers and ranchers, driving hard-working Americans out of businesses and out of their jobs. The latest tactics used by foreign nations and companies to skirt our trade rules seem like they're ripped from the pages of crime and spy novels. They hide paper trails to make it harder to build cases in trade courts.

They intimidate witnesses, forcing American businesses to relocate factories or surrender intellectual property and threatening retaliation if they speak out against unlawful behavior. They even spy on our trade enforcers and companies to undermine efforts at holding them to the rules. And after they've been caught breaking the rules, they engage in outright fraud to avoid punishment. They play cat and mouse with customs authorities, using shell companies and fraudulent records to exploit weaknesses in our system.

The global economy is more interconnected than ever, which means there's more at stake for American workers and businesses. China, India, Brazil – the list of critical markets with serious enforcement challenges has grown. As that process has played out, for example, currency manipulation has hit American workers and businesses harder than it did in previous decades – particularly when it comes to China. Currency manipulation makes any product manufactured in the U.S. – any product – artificially expensive. In effect, it's a way for China to keep a finger planted on the scale, costing the U.S. jobs and making it harder to recover further from the Great Recession.

When I joined the Senate, the U.S. had only three free trade agreement partners. Today it has FTAs with 20 countries. China joined the World Trade Organization in 2000, bringing with it a host of enforcement challenges. With so many new agreements and issues to confront, the enforcement job has gotten bigger. Our enforcement policies have to account for new rules in trade. Guatemala, for one, is now a

U.S. free trade partner. When Guatemala repeatedly fails to enforce its own labor laws, the U.S. must take a stand and uphold the rules. All trade commitments in all agreements have to be enforced with the same vigor.

The challenges of the modern, global economy simply do not always fit neatly within our aging enforcement system. American trade enforcement needs to be brought into the 21st century. For example, when the Chinese government gives its domestic solar companies massive subsidies, the U.S. needs to respond quickly and with all available resources. In practice, the response took years, and was too little and too late to protect thousands of American jobs and home-grown technologies. The Chinese solar companies had already crippled their American competitors.

That's why a more effective enforcement authority is needed. Better enforcement tools would identify and stop a problem more quickly before it costs American jobs.

The same goes for enforcement at our borders. When fake tennis shoes or counterfeit computer chips arrive in the U.S., Customs often appears too focused on security rather than its trade mission. This is especially damaging since foreign companies and governments are finding new ways to mask where products come from before they show up at our doorstep. For example, Chinese companies avoid anti-dumping duties by routing merchandise through a place like Singapore before it heads to the U.S. The schemes are becoming even more complex, sometimes involving shell companies that appear one day and disappear the next without leaving any paper trail.

The ENFORCE Act, bipartisan legislation I first introduced 2011, would mount a stronger defense against those practices. It would set up a standardized process to move investigations forward, and it would establish better lines of communication between agencies to get information in the right hands. It would also refocus Customs so that its trade mission doesn't get short shrift.

Proper trade enforcement is an increasingly difficult job. It takes time, and the fact is that it's impossible to stand up a trade case in a single day. But it's essential for enforcement agencies to have the resources needed to do their jobs effectively. Too often, when these cases lag, American workers are losing their jobs and businesses are closing their doors. Succeeding in the global economy is already challenging enough; the U.S. cannot add to the difficulty by underfunding its enforcement efforts.

That's especially true at a time when the U.S. is negotiating more trade deals. There are lots of American businesses and workers who look at NAFTA and the WTO and wonder whether more trade agreements are really a pathway to growth. I hear that in Oregon from folks in town halls all the time.

The same goes in trade. If enforcement falls short for the agreements already in place, it will call into question America's ability to enforce future agreements, too. And our international competitors will see an opening to break the rules at the expense of American jobs and exports.

So the challenge today is to build a strong enforcement system that befits the modern, global economy – one that ensures trade agreements respond to today's challenges to deliver jobs and economic growth to more Americans.

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