

# **Democratic Trade Principles and Proposals**

## **The Status Quo**

- Failure to create a level playing field in the international trading system is contributing to economic inequality for American workers; and the United States has suffered from massive trade deficits for generations.
- Trade, without good rules and strong enforcement, is too frequently a race to the bottom, with some nations competing by abusing their workers and the environment. Some countries adopt predatory, state-driven policies to gain unfair competitive advantages over the United States, while U.S. policy is often too antiquated to combat these unfair practices before it is too late.
- Our negotiators struggle to balance the needs of American workers and businesses alike and can too often prioritize issues that matter more to corporations than to American workers and families.
- The enforcement of our trade laws and obligations that aim to protect American workers has taken a back seat to the negotiation of new deals.
- Congress has become complacent in exerting its constitutional authority over trade and, instead, has delegated too much of that authority to the President – to raise or lower tariffs, to choose our negotiating partners, and to decide whether negotiating objectives have been satisfied.

**Our Principles** We believe in international engagement and American leadership, not isolationism.

- Our trade policies must be redesigned to benefit American workers and their families. We need new rules – and much better enforcement of those rules – to ensure that the benefits from trade are shared broadly.
- We respect the rule of law, which requires a coherent and transparent U.S. trade policy.
- We need to invest in our infrastructure and our workers to compete in the global economy.
- Congress needs to retake the reins on trade policy, consistent with its Constitutional mandate.

## **What is the Path Forward?**

*Congressman Bill Pascrell, Jr.*

**Committee on Ways and Means, Subcommittee on Trade**

- Strengthen Trade Enforcement. Past Administrations have lacked the political will, as well as the tools and resources, to enforce existing trade agreements and laws. Congress should pass legislation to make it easier to prepare and press cases with the United States Trade Representative (USTR); give USTR the necessary resources to pursue enforcement actions, and regularly examine whether USTR is requiring our trading partners to honor their agreements.
  
- Stop 21<sup>st</sup> Century Trade Barriers. We need better enforcement mechanisms to counteract the cutting edge of trade violations – including currency manipulation and state-owned enterprises. For example, countervailing duties to offset the impact of subsidization of state-owned enterprises and/or manipulation on goods imported from such countries.
  
- Develop New Rules of the Road in U.S. Trade Agreements. The following proposals should be the starting point for future U.S. agreements:
  - Enhanced implementation and enforcement mechanisms to ensure the full implementation of the May 10<sup>th</sup> Agreement provisions, with a greater congressional role;
  - Major reforms to the investment chapter;
  - Measures to ensure that market access is real and can't be manipulated by future non-tariff barriers;
  - Rules providing appropriate policy space for sovereign governments to effectively regulate, including with regard to financial markets, food safety, and consumer protection; and
  - Strong and enforceable currency manipulation and state owned enterprise disciplines;
  - Rules of origin that ensure the parties to the agreement reap the benefits of the agreement to the maximum amount possible;
  - Digital trade rules that reflect the way the world works today, promoting innovation and the free and open internet.
  
- Inject Transparency into Trade Policy. Congress should ensure that President Trump's business interests do not direct U.S. trade policy. Further, the manner in which trade policy is developed must become more transparent and inclusive. Our trade advisory system must be reformed to include more voices that are concerned with the public interest. Our government must also seriously consider how to improve public transparency procedures during negotiations.

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- Invest in Ourselves. Trade Adjustment Assistance (TAA) has not done enough for those who suffer the downsides of international trade and fails to address many of the other major drivers of job displacement, such as automation, entirely. We need more funding for TAA, expanded coverage and eligibility requirements for workers and firms alike, and reformed rules so that the program responds more adeptly to the needs of affected American workers. And we need major new investments in our infrastructure and education and training programs generally.