

## **International Trade**

### **Brown, Dorgan to Introduce Trade Reform Bill in Senate**

Sens. Sherrod Brown (D-Ohio) and Byron Dorgan (D-N.D.) said Nov. 30 they plan to introduce a new trade bill that would, among other things, establish new principles for free trade negotiations on labor and the environment, food and product safety, investment, services, government procurement, intellectual property, and trade enforcement.

Brown and Dorgan said in a teleconference call that they would introduce the Trade Reform, Accountability, Development, and Employment (TRADE) Act on Dec. 1. The Obama administration is expected to outline its new trade policy in the beginning of 2010, Brown said, adding that he looked forward to working with the administration on policy.

Brown said the bill to be introduced would be similar to the TRADE Act (H.R. 3012), introduced by House Trade Working Group Chairman Mike Michaud (D-Maine) in June, where it has garnered 127 sponsors (120 DER A-8, 6/25/09).

Under the proposed bill, if the new negotiating principles are not met, the free trade agreement would be subject to a point of order in the Senate and require 60 votes in the Senate for passage.

"That's how the TRADE Act would be enforced," Brown said, the same as under existing Senate rules.

It would also require the administration to submit a plan on how to improve free trade agreements to the House Ways and Means Committee and Senate Finance Committee.

Differences between the House and Senate bills include the House bill's creation of a "super committee" to receive the plan on how to improve free trade agreements, whereas the Senate version uses House Ways and Means and Senate Finance to receive the plan, Brown said. He said that the Senate also shortened reporting requirements.

Brown said the bill would also require a Government Accountability Office review of the effect of U.S. trade agreements on jobs, wages, and how rules on services and investment are implemented.

### Wide Ranging Principles

Some principles described in the bill would have labor and environment provisions included in the core text of the agreement, require countries to effectively enforce core labor standards, prohibit the weakening of environmental standards, and prohibit trade in illegally harvested resources, among other principles.

In the food and product safety area, the bill would allow importation only if the food met or exceeded U.S. safety standards and laws, and requires the Food and Drug Administration and Consumer Product Safety Commission to assess the regulatory systems of countries importing product to ensure controls are equivalent to U.S. standards and would provide the ability to suspend imports from a country.

Other principles would preserve the rights of governments to maintain essential government services, allow privacy laws, and provide that privatization is not required, among others.

In the case of investment provisions in FTAs, the bill would require foreign investors are not provided greater rights than domestic investors.

In the government procurement, the bill would provide for reciprocal access to markets, and could not undermine environmental, human rights or labor agreements.

The bill would also establish agricultural, intellectual property right standards and preserve fully U.S. trade laws.

### Reopening Old FTAs

Dorgan said the United States was hemorrhaging U.S. jobs, had outsourced far too many of them, and needed to renegotiate existing trade agreements. Dorgan said that the Obama administration needed to submit renegotiation plans on existing trade agreements, before submitting any new pacts to Congress or submitting the pending Colombian, Panamanian, and Korean free trade agreements to Congress for approval.

Dorgan said that U.S. trade policy up to this point has been an abysmal failure, with the North American Free Trade Agreement being a good example. Prior to NAFTA, the United States had a trade surplus with Mexico of \$1.6 billion; following NAFTA, the United States had a trade deficit with Mexico of \$64 billion in 2008.

“And still there are people that tell us that this was a great success. I'd hate to see their definition of failure,” Dorgan said.

Brown and Dorgan both said that they did not see congressional approval of the U.S.-Korea free trade agreement, despite President Obama statements made during a recent trip to Asia that he would like to move the agreement sometime next year.

Brown said the administration would face significant opposition if it attempted to move the agreement in Congress, although the president should continue to talk to the Koreans.

Dorgan said that the U.S.-Korea FTA should be renegotiated, citing unbalanced trade in automobiles between the United States and Korea.

Brown said that the bill currently had seven Senate co-sponsors, including himself, Dorgan, Sheldon Whitehouse (D-R.I.), Russ Feingold (D-Wis.), Robert Casey (D-Pa.), Bernard Sanders (I-Vt.), and Jeff Merkley (D-Ore.), while others were seriously considering becoming co-sponsors on the bill.