United States Senate

COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

COMMITTEES:

**APPROPRIATIONS** 

WASHINGTON, DC 20510 January 24, 2017

The President The White House 1600 Pennsylvania Avenue Washington, D.C. 20500

Dear Mr. President:

I write regarding your recent actions on trade policy and possible areas we could work together. Like you, I have heard from many Americans who feel that Washington's economic and political system is broken and isn't working for them. As I have travelled Wisconsin I have listened to people who are scared because they can't make ends meet and provide a better future for their children. I hear the voices of people who are struggling to get ahead and are angry because their hard work isn't respected or rewarded. We need to change that.

You have made promises to change our economic and trade policies to help workers struggling to get ahead. I share this goal and I have worked throughout my career to stand up to powerful interests in Washington that support the flawed trade and economic policies that put special interests ahead of workers. I support taking a new approach to trade deals. We need to crack down on countries like China when they cheat American workers, we need policies that keep jobs here at home instead of encouraging outsourcing, and we need a strong "Buy America" plan that requires tax dollars for public infrastructure projects go to American businesses and workers instead of foreign companies.

In your inaugural address, you made clear that, "Buy American and hire American" would be a key element of your Administration. For years, I have supported strong "Buy America" requirements because I believe that tax dollars for public projects should support jobs and businesses in America. I hope that you will call on Republican leadership in Congress to support "Buy America" reforms and accept that this should be a guiding principle in infrastructure legislation. Our American manufacturers and workers deserve a solid commitment from us and they cannot afford spending taxpayer dollars on Chinese and Russian steel. The Republican establishment in charge of Congress has fought against these commonsense reforms for too long. I would urge you to now join with me in calling on Republicans in Congress to take up and pass legislation next year that supports these reforms so that we can build an economy that works for everyone, not just those at the top.

I introduced legislation requiring the President to withdraw from the Trans-Pacific Partnership (TPP) agreement, so I am glad that you have fulfilled your promise to withdraw from this unfair trade deal. This flawed agreement would have accelerated the corporate race to the bottom in which American workers and our manufacturers lose out. The TPP would have also surrendered American sovereignty by allowing corporations to challenge American laws in international courts.

You have said that upon assuming the office of the President you would direct your Treasury Secretary to label China a currency manipulator. Like you, I believe that when China devalues its currency, it puts

American and Wisconsin workers and businesses at a disadvantage. I have previously written to former Treasury Secretary Jack Lew urging him to name China a manipulator, and I support your promise to direct your Treasury Secretary to do so.

Earlier this year, you have called North American Free Trade Agreement (NAFTA) "the worst trade deal ever signed anywhere." I have long opposed NAFTA, an unfair trade deal that has hurt Wisconsin's manufacturing economy and led to job loss. For years, families and workers across Wisconsin have shared with me their stories of how this unfair trade deal has weakened their economic security. I would support a complete review of the deal to determine what elements benefit Wisconsin workers—and which only serve to enrich multinational corporations.

I was heartened to learn that your Commerce Secretary nominee, Wilbur Ross, shares my view that using trade agreements to gut Buy America provisions by letting foreign companies bid on taxpayer-funded projects is, "highly questionable." We also agreed that NAFTA and other agreements have failed to include enforceable labor and environmental standards for our trading partners—tilting the playing field against American businesses. I hope that we can work together on these reforms to make NAFTA into an agreement that supports jobs and wage growth for working people in Wisconsin.

You have said you want to make outsourcing a top priority. For too long, American companies have moved jobs overseas to appease their aggressive shareholders at the expense of their workers and our communities. Instead, we should respect hard work and invest in American businesses and workers instead of rewarding corporations that ship our jobs to other countries. I hope we can agree that we need to create Made in America economic growth that will rebuild our working class, not encourage the outsourcing of American jobs.

Finally, I suggest that we work to enhance the additional tools we have to crack down on cheating. We need to ensure we aggressively penalize companies when they unfairly dump their products on American markets. We also need to overhaul the standards used by the Committee on Foreign Investment in the United States (CFIUS) to investigate acquisitions by foreign-backed companies funded or controlled by governments, like China. I have recently urged CFIUS to investigate the acquisition of American companies in strategically sensitive industries by Chinese state-owned enterprises. I hope you will work with me to reform CFIUS to ensure that acquisitions from foreign state-backed companies are reviewed in the broader context of economic security and the impact on American jobs.

These are just a few of my priorities to offer American workers solutions that will strengthen their economic security. I look forward to working with your Administration to take action on economic policies that will provide a level playing field for American workers.

Sincerely,

Tammy Baldwin United States Senator