

Questions for the Record for Ambassador Robert E. Lighthizer
U.S. House Ways and Means Committee
Hearing on the 2019 Trade Policy Agenda: Negotiations with
China, Japan, the EU, and UK; new NAFTA/USMCA;
U.S. Participation in the WTO; and other matters
June 19, 2019

From Chairman Richard E. Neal to Ambassador Robert E. Lighthizer

1. I am interested in the status of the U.S. – Japan trade agreement negotiations. To date, at both Member and staff level, the Committee has not had sufficient consultation with you and your office on the status or content of these discussions. In fact, most of what we know comes from press reports. Please confirm that USTR is seeking a “first phase” deal with Japan, short of a full trade agreement, that: (1) seeks agricultural market access from Japan equivalent to Japan’s TPP concessions for the United States; (2) in exchange for reduction or elimination of U.S. industrial tariffs, under five percent, including or with a focus on auto parts; (3) with digital trade commitments included; (4) but not labor and environmental protection provisions; that (5) USTR intends to conclude without Congressional consideration, approval, or even consultation. If this understanding is not correct, please explain which elements are not part of USTR’s current plan, and which elements are missing from USTR’s current plan?

Answer: As I have discussed with many Members, the Administration’s priority is to make headway quickly to address Japan’s barriers to U.S. agriculture exports. I have heard repeatedly from Members that quick action is needed because our farmers and ranchers are at risk of losing market share due to Japan’s recent agreements with other trading partners. We are making progress on that score, and I am happy to brief you privately on the details of the ongoing negotiation. I have also spoke openly about securing as much as we can in a first phase, including commitments on digital trade where the United States and Japan have a common vision. Beyond achieving these initial outcomes, the Administration seeks to pursue other, much broader objectives for a comprehensive trade agreement with Japan, as outlined in the U.S.-Japan Trade Agreement Negotiating Objectives published in December 2018.

2. On May 30, the Administration submitted a document that it considers the “draft Statement of Administration Action” for the new NAFTA, a.k.a. the USMCA. In that document, the Administration stated its interest in “potential changes to section 901 of the Trade Facilitation and Trade Enforcement Act (19 U.S.C. 1321) to implement Article 7.8.1 (Express Shipments).”

- a. What potential changes is USTR proposing to make through the USMCA implementing bill?
- b. What purpose would be served by those changes?
- c. Have any Members of Congress, on either side of the aisle, expressed support for the changes USTR is contemplating proposing? How many? Which ones?

Answer: As noted in the Administration’s submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation

with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. We understand that Members have different views on this matter, and these consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

3. The Administration's trade negotiations with China are wide-ranging and address intellectual property-related issues (which form the basis for the Section 301 investigation that led to these negotiations) as well as issues related to market access for agricultural products and services, non-tariff barriers, etc.

a. Why are structural changes to improve China's treatment of its workers or environment, or China's treatment of its Uyghur population and reports of forced labor in the Uyghur detention camps in China's Xinjiang Province not included in the scope of the ongoing negotiations?

b. Is it your view that another Section 301 enforcement action would be required to address these issues?

c. What about the current Section 301 action precludes these issues from being included in the scope of the negotiations?

Answer: Under President Trump's leadership, the United States is committed to working toward a more fair and reciprocal trade relationship with China. As set forth in USTR's 2018 Report to Congress on China's WTO Compliance, the Administration has a number of concerns regarding problematic Chinese labor and environmental policies and practices, including China's lack of adherence to certain internationally recognized standards. In the current negotiations with China, we are seeking to address a wide range of unfair trade practices. The negotiations of course cannot cover every aspect of the U.S.-China relationship where the United States has identified a problem. The current negotiations arising from the Section 301 action do not directly address labor and environment laws in China, but I am committed to working with you and other Members of Congress to discuss options and policy tools for addressing these important issues. I defer to the State Department on questions relating to the Administration's response to China's treatment of its Uyghur population.

From Trade Subcommittee Chairman Earl Blumenauer to Ambassador Robert E. Lighthizer

1. Could you please clarify the purpose/objective of footnote 46 (Article 20.49) in the intellectual property chapter of the USMCA?

Answer: This footnote was included in order to account for the period of time in U.S. law during which certain products that meet the USMCA definition of a biologic may apply for approval under either the Federal Food, Drug, and Cosmetic Act or the Public Health Service Act.

2. Could footnote 46 (Article 20.49) of the intellectual property chapter of the USMCA be used by companies to seek an extension of the exclusivities for drugs that are under transition to be biologics by March 23, 2020? Are insulin drugs among the drugs covered by this footnote?

Answer: FDA has identified insulin products as among those covered by the transition period in the appendix to its December 2018 guidance for industry, “Interpretation of the ‘Deemed to be a License’ Provision of the Biologics Price Competition and Innovation Act of 2009.” Such products would thus be covered by footnote 46 of the Intellectual Property Rights chapter of USMCA. However, footnote 46 does not allow companies to seek or receive an extension to 10 years of exclusivity for biologic drugs that are eligible to receive approval under the Food, Drug, and Cosmetic Act during the period of transition.

3. How would this footnote interact with the December 2018 Food and Drug Administration guidance, which specified that drugs that are in transition to the biologics pathway do not receive additional exclusivities?

Answer: Footnote 46 does not require parties to grant 10 years of exclusivity to “deemed to be licensed” biological products. This is consistent with the U.S. Food and Drug Administration December 2018 guidance for industry, “Interpretation of the ‘Deemed to be a License’ Provision of the Biologics Price Competition and Innovation Act of 2009.”

4. In 2016, Congress passed the Trade Facilitation and Trade Enforcement Act, which raised the *de minimis* threshold to \$800. In doing so, Congress found that a higher *de minimis* threshold relieved small- and medium-sized businesses of substantial costs, including manufacturers, who rely on low-value inputs for the production of U.S. exports. These dynamics have not changed. Changing this figure merely imports costs throughout many aspects of our economy. As we work to finalize the renegotiated NAFTA, can you commit not to seek the derogation or authority to derogate from the current US *de minimis* threshold?

Answer: As noted in the Administration’s submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. These consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

From Representative David Schweikert to Ambassador Robert E. Lighthizer

1. Regarding an issue raised on behalf of my colleague, Congressman Jim Hagedorn of Minnesota:

American producers of feed-grade amino acid additives are facing unprecedented pressure from subsidized Chinese imports as a consequence of illegal subsidies and lower domestic Chinese demands. With Chinese dumping imported amino acids in the U.S. market, American producers face significant long-term harm, and the entire amino acid additive industry could be lost to China in very much the same manner as other industries. Certain feed-grade amino acid additives are noticeably absent on the USTR tariff lists. What is the Administration and USTR doing to ensure that all amino acid additives are addressed in ongoing U.S.-China trade negotiations? Why were specific feed-grade additives left off the lists when they are manufactured here in the USA? Will USTR include the amino acid additives onto the list?

Answer: USTR excluded amino acid additives from the proposed \$300 billion trade action tariff list because they are included in the pharmaceutical category. In addition to tariff subheadings related to pharmaceutical products, the proposed product list excludes select rare earth materials, critical minerals, and other goods.

2. In 2016, Congress raised the U.S. *de minimis* threshold to \$800 in the bipartisan Trade Facilitation and Trade Enforcement Act. This change enjoys wide bipartisan support in Congress and throughout the e-commerce landscape. The current threshold benefits millions of American small businesses, across all sectors, including manufacturers, who rely on low-value inputs for the production of U.S. exports. As a result, American small businesses now enjoy more rapid border clearance, reduced complexities and red tape, and lower logistics costs, while American consumers benefit through faster, less expensive access to a wider range of goods.

Given the benefits of the current *de minimis* threshold to American small businesses and the U.S. economy as a whole, and that Congress legislated on the U.S. *de minimis* level only a few years ago, I remain extremely concerned over the Draft Statement of Administrative Action (SAA) on the U.S.-Mexico-Canada Agreement (USMCA) transmitted to Congress on May 30. This draft SAA includes language suggesting that you may seek changes to the U.S. *de minimis* threshold through the USMCA implementing bill. As you know, last December, Rep. Kind and I led a bipartisan letter urging you not to seek to lower the U.S. *de minimis* threshold. My position has not changed. I strongly oppose including any language in the USMCA implementing bill that would lower the U.S. *de minimis* level or that would delegate this authority to the Executive Branch. As you work with Congress to finalize the USMCA implementing legislation, will you commit to not seeking authority to lower the U.S. *de minimis* threshold?

Answer: As noted in the Administration's submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. These consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

From Representative Linda Sánchez to Ambassador Robert E. Lighthizer

1. Mr. Lighthizer, having run out of time during our exchange regarding CDA 230, I'd like to follow up on my question regarding USTR's decision to push inclusion of this provision in trade agreements. During the hearing, I asked you for information regarding the administration's decision to pursue inclusion of this provision in trade agreements. You stated that the provision was not included in past agreements because CDA 230 was not law 20 years ago. I'd note that the provision became law in 1996. Can you please provide clarification as to why USTR is now pursuing inclusion of this policy in agreements?

Answer: Trade Promotion Authority generally directs USTR to seek trade agreement provisions consistent with U.S. law, and specifically directs USTR to recognize the growing significance of the Internet as a platform for commerce. The original NAFTA did not include provisions paralleling key aspects of the Communications Decency Act both because it predated the law and because our approach to the inclusion of digital trade provisions in trade agreements was at an earlier stage of development at that time. The USMCA Digital Trade chapter contains the strongest disciplines on digital trade of any international agreement, providing a firm foundation for the expansion of trade and investment in the innovative products and services where the United States has a competitive advantage.

2. Sticking with issues that affect Southern California, film and television is one of the most highly unionized industries in the United States. I'm concerned about the reports I'm hearing that China may be retaliating against the U.S. by reducing opportunities for U.S. film exports to China.

While I agree that China has been flouting trade rules for years, I'm concerned that a major southern California industry and important US cultural export, is going to pay a high price, and that my constituents could lose jobs and income as a result. This issue is just as serious as China's efforts to shut out U.S. farm products. Can you explain what you are doing to promote films and TV exports and to ensure these exports have a level playing field in China and other overseas markets?

Answer: For many years, China has restricted access to U.S. film and television. The United States won a WTO dispute against China several years ago on this issue, which resulted in a 2012 Memorandum of Understanding (MOU) relating to theatrical films. Among other things, China agreed in the MOU to raise the share of box office revenue received by U.S. film producers. The MOU also provided that it would be reviewed in calendar year 2017 in order for the two sides to discuss issues of concern, including further meaningful compensation for the U.S. side in terms of, among other things, the U.S. film producers' share of box revenue. In 2017, in accordance with the terms of the MOU, the two sides began discussions regarding the provision of further meaningful compensation to the United States. It is a priority for the United States to ensure that, as part of the negotiations launched by Presidents Trump and Xi on December 1, 2018, China fulfills its MOU obligations, including by allowing U.S. film producers to realize a share of box office revenue consistent with market rates around the world.

We continue to monitor closely whether China is engaging in other forms of retaliation, including with regard to U.S. exports of films and TV programs. In addition, we continue to ensure that all trading partners abide by their commitments to film distribution and exhibition,

television programming, and other audiovisual services, and seek to ensure that the strong growth in online streaming services is not disrupted through new barriers.

3. I would like to raise one final issue, getting into the nitty gritty of the labor chapter. In looking at Section 23.7, regarding Violence Against Workers, there is language I find extremely troubling. It says that cases of violence or threats of violence against workers can only be brought for a sustained and recurring course of action or inaction in a manner affecting trade or investment. There's even footnotes there, footnotes 11 and 12, going into more detail. So the way I read it, if a worker is murdered for workplace organizing or has their life or their family's lives threatened with violence or death, no case can be brought? If the threat only happens once, it is not sustained or recurring. If it happens a second or third time, but irregularly, would that meet the standard? It seems likely it might not. I think that language and those footnotes need to be taken out if we are serious about protecting workers from violence and threats of violence. This is a serious issue that I hope will be addressed as we continue to work with USTR regarding extensive outstanding labor enforcement issues.

Answer: I am committed to vigorously enforcing our trade agreements, including the labor obligations, and agree that the USMCA must address violence against workers. As you point out, the USMCA Labor Chapter has a specific obligation on violence, and this represents groundbreaking text that has never been in any trade agreement. Nothing like this was in NAFTA or TPP, and this is without question a big win for American workers. I will continue to work with you and other Members of Congress to discuss options and policy tools to address this and other USMCA labor issues.

From Representative Jackie Walorski to Ambassador Robert Lighthizer

1. Ambassador Lighthizer, the Recreational Vehicle Industry Association has resubmitted a Competitive Need Limitation waiver from the GSP program for lauan and meranti wood at the 10-digit level. I hope that USTR will give this request the careful consideration it deserves. This waiver updates a request made last year to a much narrower group of products that are essential to RV manufacturers in my district. Since the removal of this product from GSP for Indonesia, imports have grown despite an 8 percent tariff, showing that there is no other viable source for this product. This costs RV manufacturers \$1 million a month and places an unnecessary burden on these U.S. manufacturers. Can you commit to working with my office to correct this and help this innovative and uniquely American sector?

Answer: I have requested that the USITC study the RV's industry's GSP petition for a CNL waiver on lauan wood. Under the GSP statute, the USITC must do an independent analysis of the request, including whether a like or directly competitive product was produced in the United States within the last three years. The analysis will be completed by early September.

2. The medical device industry is very important to the economy of Indiana. They are also heavily reliant on trade. As a top three medical device market in the world, Japan is critically important to many of the medical device companies in my state. However, it is also a challenging market for these companies, especially when it comes to setting reimbursement rates. I appreciate your efforts thus far to raise these concerns with your counterparts in Japan, but work remains. Can you assure me that medical device issues will remain prominent in your trade negotiations with Japan?

Answer: I share your concern regarding the importance of Japan providing a fair, transparent, and non-discriminatory approach to reimbursement policies for medical devices. We will continue to engage bilaterally with Japan on this important issue. In the context of the U.S.-Japan Trade Agreement negotiations, I remain committed to pursuing outcomes on procedural fairness for medical devices in line with the Administration's Negotiating Objectives published in December 2018.

3. I appreciate USDA's relief package for our farmers and ranchers as retaliatory tariffs disrupt our exports. I have heard in particular from dairy companies who say they need better access to export markets including China. What is the status of talks with China and will dairy be included as a priority in the negotiations?

Answer: U.S. dairy producers face a great number of structural issues that limit their access to China's dairy market, including complicated registration, import licensing, and labeling requirements. We have discussed dairy extensively with China over the course of our conversations this year. We are committed to addressing issues that impede market access in China for U.S. dairy producers. I would also note that USMCA improves access for our dairy farmers in Canada, and we hope that Congress will be in a position soon to pass the Agreement so our farmers can take advantage of its provisions.

4. One of the longstanding EU trade barriers is its application of prohibitive duties on US fertilizers, even though we have offered them duty-free access since 1922. In addition to a protectionist duty of 6.5% on most American nitrogen fertilizer imports, the EU also recently imposed antidumping duties on American urea ammonium nitrate fertilizer imports, making US imports prohibitively expensive. Are you considering adding nitrogen fertilizers to the list of EU imports to be subject to retaliatory duties in connection with the Large Civil Aircraft WTO dispute? Also, will you make the elimination of the EU's import tariffs on fertilizers a priority in the ongoing US-EU trade negotiations?

Answer: USTR has received comments and heard witness testimonies from the fertilizer industry during the notice and comment process. I will consider these comments and testimonies as I consider the appropriate action to take to enforce US rights in the WTO EU-Large Civil Aircraft dispute. In addition, addressing fertilizer tariffs will be an important objective of any comprehensive U.S.-EU trade negotiation.

5. The USMCA contains some of the strongest intellectual property protections of any U.S. trade agreement. While we all share the goal of reducing medicine prices, do you agree that this agreement doesn't change U.S. law concerning medicines, but rather commits Canada and Mexico to raise their intellectual property standards nearer to levels that have existed in the United States for nearly a decade?

Answer: The USMCA does not require any changes to U.S. laws on pharmaceutical intellectual property rights in order to comply with the IP Chapter. At the same time, the USMCA significantly increases the level of protection that U.S. biologics innovators receive in Mexico and Canada. Research and development into new pharmaceuticals is costly, time-intensive, and risky, particularly for cutting-edge pharmaceutical products such as biologics. The USMCA raises the standards for data protection of new biologics in Mexico and Canada, while not affecting their protection in the United States in any way.

6. I appreciate that USTR previously recognized the potential risks of Section 301 Chinese tariffs on medical products in prior tariff lists. I am concerned that the fourth list includes the return of a number of key personal protective equipment items including gloves and gowns, which had been previously eliminated. Can you explain why these products are back on the list?

Answer: Unfortunately, China has not eliminated the policies and practices identified by the section 301 investigation. This has required additional enforcement action, including on some products that were previously removed from prior proposed tariffs lists. During the notice and comment process, USTR received comments and heard witness testimonies from the personal protective equipment industry. I have considered these comments and testimonies before taking final action on the additional tariffs. An exclusion process will be available to products on the final list.

7. In 2016, Congress raised the U.S. de minimis threshold to \$800 in the bipartisan Trade Facilitation and Trade Enforcement Act. This change enjoys wide bipartisan support in Congress and throughout the e-commerce landscape. Given the benefits of the current de minimis threshold to American small businesses and the U.S. economy as a whole, I was worried the Draft Statement of Administrative Action on the USMCA includes language that USTR may seek authority for the Executive Branch to set U.S. de minimis thresholds. I believe Congress should maintain its Constitutional authority to set tariffs, including de minimis thresholds, and I have strong concerns about delegating this authority to the Executive Branch in USMCA implementing legislation. As you work with Congress to finalize

the USMCA implementing legislation, can you commit not to seek the derogation or authority to derogate from the current US de minimis threshold?

Answer: As noted in the Administration's submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. These consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

From Representative Darin LaHood to Ambassador Robert E. Lighthizer

1. President Trump and Brazilian President Bolsonaro met in March and agreed “to explore new initiatives to facilitate trade investment and good regulatory practices.” For example, Brazil committed to implementing a tariff rate quota for the importation of American wheat and to applying science-based conditions to allow for the importation of U.S. pork. The United States also agreed to support Brazil’s OECD accession.

Building upon the positive relationship between our leaders, how can the United States leverage Brazil’s OECD accession process to secure bilateral wins? It seems that progress in areas like trade facilitation, good regulatory practices, technical barriers to trade, and anticorruption has the potential to eliminate costly bureaucracy and benefit U.S. exporters in a meaningful way. USMCA is the gold standard in these areas, and I hope we can use this opportunity to approach those high standards with Brazil.

Answer: I agree that the OECD process gives us an opportunity to advance our trade relationship with Brazil in ways that benefit both our countries. USTR, in conjunction with the Department of State and other U.S. agencies, supports the OECD’s high standards for accession. These standards ensure that the United States, its workers, and its businesses benefit from principles and practices that make markets fairer and more efficient. USTR is committed to ensuring that accession countries meet these standards before they join the OECD in order to ensure equal opportunities and fair treatment for American workers and businesses.

The strengthened relationship between the United States and Brazil, and Brazil’s desire to reform and open its economy, present important opportunities to deepen the bilateral trade relationship. As directed following the visit of President Bolsonaro to the White House in March, USTR is working to enhance our engagement with Brazil under the Agreement on Trade and Economic Cooperation. Discussion of topics such as trade facilitation, good regulatory practices, technical barriers to trade, and anti-corruption, with the USMCA as the gold standard, can provide the foundation to support Brazil’s reforms and a beneficial trade relationship for the United States.

From Representative Daniel Kildee to Ambassador Robert E. Lighthizer

1. In 2016, Congress raised the U.S. *de minimis* threshold to \$800 in the bipartisan Trade Facilitation and Trade Enforcement Act. The current threshold benefits millions of American small businesses, across all sectors, including manufacturers, who rely on low-value inputs for the production of U.S. exports. As a result, American small businesses now enjoy more rapid border clearance, reduced complexities and red tape, and lower logistics costs, while American consumers benefit through faster, less expensive access to a wider range of goods.

Given the benefits of the current *de minimis* threshold to American small businesses and the U.S. economy as a whole, I was curious to see the Draft Statement of Administrative Action on the U.S. Mexico Canada (USMCA) includes language that you may seek authority for the Executive Branch to set U.S. *de minimis* thresholds. Congress must maintain its Constitutional authority to set tariffs – including *de minimis* thresholds.

As you work with Congress to finalize the USMCA implementing legislation, can you commit not to seek the derogation or authority to derogate from the current U.S. *de minimis* threshold?

Answer: As noted in the Administration’s submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. These consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

2. Is USTR working with USDA to ensure that USDA’s trade aid package is WTO compliant?

Answer: Yes, USTR is working closely with USDA to ensure that USDA’s trade aid package is WTO compliant. The United States will notify the programs in the 2019 Domestic Support notification.

From Representative Drew Ferguson to Ambassador Robert E. Lighthizer

1. Georgia's fruit and vegetable industry not only plays an extremely important role in the state's agricultural economy but also provides thousands of jobs, especially in rural Georgia. The consistent strain Mexico puts on our fruit and vegetable producers by dumping cheap, subsidized products has lowered the price of Georgia grown produce to unprofitable levels. I appreciate USTR's inclusion of a separate domestic industry provision for perishable and seasonal products as a proposal you fought for during the negotiations. And while this provision was not included in the final agreement, I know you and your staff are working diligently to find options moving forward. Could you comment on what avenues USTR might pursue to ensure Georgia producers have anti-dumping countervailing duty protection from Mexico's unfair trading practices?

Answer: We continue to consider this issue and explore possible solutions with Members and stakeholders. We look forward to working with you and other Members of Congress to address the seasonality issue in a way that properly considers the wide range of views and impacts across the U.S. fresh fruit and vegetable industry. There are possible tools that could be used, which we are discussing with the industry and Congress and within the Administration.

2. Will automakers in my state – already labeled as national security threats – have to live with further uncertainty of 232 tariffs until trade deals are finalized with EU, Japan, and UK?

Answer: The President's proclamation addresses imports of automobiles and certain automobile parts that are important for maintaining America's technological leadership in automotive research and development that supports national security. The President has directed me to pursue negotiation of agreements with countries that I deem appropriate to address the threatened impairment to our national security. The Administration has a longstanding policy of not negotiating in public and, at this time, we cannot comment further on the scope of these negotiations. I of course am happy to discuss this matter with you privately in more detail.

3. As you know, the Generalized System of Preferences program is very important to companies in my district. Earlier this month, India's GSP eligibility was terminated – a move I am told will cost Georgia companies \$15-\$20 million annually. Already, one manufacturer in my district has canceled a job-creating expansion because of the new taxes they must pay on critical components. I am interested in the plans for resolving outstanding issues so GSP benefits for Georgia manufacturers can be reinstated. Are you currently discussing ways to restore GSP with India's new government? If not, when do you expect such talks to restart?

Answer: The decision to terminate India's GSP beneficiary status was not taken lightly and was in accordance with the Congressionally-mandated GSP statute that governs the program. The President took this step after a year of insufficient movement on India's part. India's lack of assurances that it would provide fair and adequate market access was harmful to U.S. interests and it was important that we respect the statutory criteria.

We remain engaged with India and are committed to ensuring that India addresses key market access concerns. I have already spoken to Minister Goyal and look forward to discussing our concerns in detail with him when he is next in Washington. Additionally, my team recently

visited New Delhi to meet with a variety of Indian government officials in an attempt to make progress on the broad range of trade barriers.

4. During the exclusion process for the third tranche of 301 tariffs, the Administration vetted and removed certain intermediate input products that require and support further manufacturing in the United States, such as unbleached cotton fabric. When the fourth tranche of products was announced, these same intermediate input products were put back on the tariff list after being granted exclusion in a previous tranche. This reversal of action is hindering business investments, and access to their supply chains as companies are forced to again petition for the removal of these products from the 301 tariff lists. If a product was successfully vetted and granted exclusion from 301 tariffs, why would the exclusion not apply to future tranches as well?

Answer: Unfortunately, China has not eliminated the policies and practices identified by the section 301 investigation. This has required additional enforcement action, including on some products that were previously removed from prior proposed tariffs lists. During the notice and comment process, USTR received comments and heard witness testimonies related to the imposition of additional tariffs on intermediate input products. I have considered these comments and testimonies before taking final action on the additional tariffs. An exclusion process will be available to products on the final list.

From Representative Jason Smith to Ambassador Robert E. Lighthizer

1. As part of the U.S.-EU trade negotiations, will EU's trade barriers for U.S. fertilizer be a topic of discussion? Will the elimination of EU import tariffs on fertilizers, allowing for reciprocal access, be a priority?

Answer: USTR staff have been consulting with U.S. fertilizer producers and monitoring developments in the EU tariffs on fertilizer inputs and products. Addressing fertilizer tariffs will be an important objective of any comprehensive U.S.-EU trade negotiation. As Members of the Committee are aware, we have not yet begun tariff negotiations with the EU due to the EU's refusal to negotiate agricultural tariffs, and the Administration shares the view of Congress and our stakeholders that it would not be acceptable to conclude an agreement limited to industrial products.

2. There's been recent reporting about a surge in aluminum imports from certain countries as well as reporting on how the White House is considering responding. Does the White House intend to negotiate anti-surge mechanisms for other countries similar to its agreements with Mexico and Canada?

Answer: Aluminum imports from all countries are subject either to the 10 percent tariff imposed by the President under Section 232 of the Trade Expansion Act of 1962, as amended, or to alternative means arrived at between the United States and those countries to address the national security threat caused by aluminum imports. The Administration intends to vigorously monitor and enforce the arrangements arrived at with these countries.

3. Does the Administration plan to implement an import monitoring system similar to the Steel Import Monitoring and Analysis program (SIMA) for aluminum?

Answer: The Steel Import Monitoring and Analysis (SIMA) system is administered by the Department of Commerce. I would refer you to Commerce for any questions about SIMA, including the potential for its application to other products.

From Representative George Holding to Ambassador Robert E. Lighthizer

1. One of the outcomes in USMCA was to carve out government procurement from the scope of the financial services chapter. This carve-out eliminates the potential for USMCA to help maintain non-discriminatory treatment for U.S. financial institutions engaging in procurement transactions. We find ample proof that when U.S. companies compete on a level playing field they win, and they have been doing so very consistently in the case of financial services. Would you support a side letter approach with Mexico to ensure that Mexico continues to treat firms owned by U.S. investors the same as firms owned by Mexican investors when it comes to government contracts, as current Mexican law requires?

Answer: This Administration supports a level playing field for U.S. service suppliers, including financial service suppliers. We are aware of no current plans by Mexico to alter its existing procurement regime in a manner that would negatively impact U.S. financial services suppliers. We welcome the opportunity to stay in touch on this important issue.

2. As you know, the film and television production industry that has been hit particularly hard by China's trade cheating in the form of rampant piracy of U.S.-produced films and television programs. In your negotiations with China, I know that protection for these exports -- and other forms of job-creating intellectual property -- have been a top concern. Can you explain specifically what steps you have asked China to take to address its piracy problem and come into compliance with its obligation to protect U.S.-produced films and television programs?

Answer: As a leading source of both pirated goods as well as devices and websites that facilitate copyright piracy, China should take sustained action, such as that to combat sales of or access to pirated content, illicit streaming devices, and apps that facilitate piracy. Short-lived campaigns are no substitute for deterrent-level sanctions to combat online piracy and the circumvention of technological protection measures used to protect licensed content. We need to see China take action and create conditions for fair competition, including through structural and systemic reforms. In the current negotiations with China, we are seeking to address a wide range of unfair trade practices, including the need for stronger protection and enforcement of intellectual property rights in China.

3. It's my understanding the products under consideration for retaliatory tariffs in the Airbus dispute include certain distilled spirits (in particular, "liqueurs and cordials" under HTS subheading 2208.70.00). I am told these products already are among the most heavily taxed consumer goods in U.S. commerce as a result of state and federal excise taxes. Adding an import tariff on top of existing excise taxes would cause harm to consumers and the hospitality industry. As you go through the process, I encourage you to take into account the existing taxes that are already in place on some of these products when considering any new tariffs.

Answer: USTR recently held a hearing with respect to potential countermeasures in the Airbus dispute, and will take account of all of the relevant factors raised by interested persons with respect to the products under consideration, including distilled spirits.

4. The USMCA requires at least 10 years of regulatory data protection for advanced medicines, or biologics, which is two years lower than the 12 years of protection that has existed in the United

States for nearly a decade. Isn't it true, then, that critics of this provision essentially are arguing that Canada and Mexico should weaken their protection of American IP?

Answer: The USMCA does not require any changes to U.S. laws on pharmaceutical intellectual property rights in order to comply with the IP Chapter, including with respect to data protection for new biologics products. At the same time, the USMCA significantly increases the level of protection that U.S. biologics innovators receive in Mexico and Canada. Research and development into new pharmaceuticals is costly, time-intensive, and risky, particularly for cutting-edge pharmaceutical products such as biologics. As the President noted in the May 2018 Blueprint to Lower Drug Prices, unfairly low prices in foreign markets “places the burden of financing drug development largely on American patients and taxpayers, subsidizes foreign consumers, and reduces innovation and the development of new treatments.” The USMCA raises the standards for data protection of new biologics in Mexico and Canada, while not affecting their protection in the United States in any way.

Trade Promotion Authority instructs the Administration to negotiate agreements with intellectual property protections that “reflect a standard of protection similar to that found in United States law.” Because the USMCA includes 10 years of regulatory data protection for biologics – two years less than the 12 years that exists in the United States – isn't it true that the agreement will have no effect on existing U.S. law concerning medicines?

Answer: The USMCA Intellectual Property chapter does not require any changes to current U.S. laws, including those regarding data protection for pharmaceutical products.

5. I was pleased to hear that the U.S. is exploring a potential free trade agreement with Switzerland. Our economies are intertwined by mutually beneficial trade and foreign direct investment, and Switzerland is one of the world's top financial hubs. As you know, Switzerland is surrounded by EU member states but they themselves are not an EU member. This could be an opportunity for the Administration to encapsulate the ideal free trade agreement with a European partner and could have the unique effect of strengthening our negotiating ability with the European Union. Could you elaborate on discussions USTR has had with Swiss officials as well as your goals regarding trade with Switzerland?

Answer: We continue to evaluate potential FTA discussions with a number of countries, including Switzerland. The decision on whether to launch any negotiations must be based on an assessment of whether United States, workers, farmers or businesses benefit, and whether U.S. growth and employment could increase. Our end goal in any negotiation is always to make American workers and producers better off than they were before. In any such negotiation, we would follow the TPA process as appropriate.

From Representative Bill Pascrell to Ambassador Robert E. Lighthizer

1. Using Section 301 could invite retaliation. And Mexico and Canada agreed to fix panel-blocking in the Trans-Pacific Partnership. But this was not changed in the newly negotiated North American Free Trade Agreement. Senators Brown and Wyden have a proposal which sounds worthy of consideration. As we look to improve the enforcement mechanisms in the new newly negotiated North American Free Trade Agreement, can you commit to ensuring there is a binding dispute settlement system that does not allow panel blocking?

Answer: I am committed to ensuring that the agreement is enforceable. My staff and I have been working with the process set up by the Speaker and this is one of the important issues we are discussing.

2. Trump threatened to stick consumers in New Jersey with a tab of \$222 million by implementing a five percent tariffs on all goods from Mexico. For my constituents, that's no chump change. This manufactured crisis yielded a slightly modified version of the status quo. Trump figured out how to wipe egg off his face while the sword of new tariffs still hangs over businesses and consumers in my state. For better or worse, tariffs are just another tool in our tool belt. But this latest temper tantrum put tens of thousands of jobs at risk. We cannot conflate trade issues with other areas, like immigration or other national security concerns. However, you told Senator Menendez that it was "absolutely" appropriate for Trump to threaten tariffs on Mexico. You went on to say that "if you get to a point if it a national crisis, a national security problem, you do what you have to do." But then you said you "haven't given more than five seconds of thought" if it was appropriate to threaten tariffs on NATO countries aren't spending enough on defense. Or to force a country from pulling out of the Iran nuclear agreement. Or to encourage countries from blocking Huawei from their markets.

Now that you've had more time, is it appropriate for the President to threaten tariffs for these reasons? Do you think it's appropriate to use tariffs to force countries to act on climate change, which is a national security issue according to the Pentagon?

Answer: The President has legal authority to use economic tools to deal with national security issues. I support the President as he uses the tools available to him to address the border emergency. I recommend directing specific questions on addressing the emergency at the Southern Border or any other national security problem to the White House.

3. It is important that trade agreements are in line with current practices in the U.S., especially when it comes to preserving intellectual property. Current U.S. law ensures the pharmaceutical industry has a 12-year preservation on its intellectual property for biologic drugs. The newly negotiated North American Free Trade Agreement requires Canada and Mexico to raise their protections to at least 10 years.

What is the importance of preserving intellectual property in trade agreements? As the Trump administration negotiates future trade agreements, how do you intend to address current United States law for intellectual property?

Answer: In the USMCA negotiations, we followed the objectives set forth in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, including seeking a standard of protection similar to that found in U.S. law. As you know, the 12-year data protection term

was passed as part of the Affordable Care Act during the Obama Administration. The 10-year standard in the USMCA for data protection for biologics is the closest that we have ever come in a free trade agreement to reflecting U.S. law on this issue. Research and development into new pharmaceuticals is costly, time-intensive, and risky, particularly for cutting-edge pharmaceutical products such as biologics. As the President noted in the May 2018 Blueprint to Lower Drug Prices, unfairly low prices in foreign markets “places the burden of financing drug development largely on American patients and taxpayers, subsidizes foreign consumers, and reduces innovation and the development of new treatments.” The USMCA raises the standards for data protection of new biologics in Mexico and Canada, while not affecting their protection in the United States in any way.

With respect to potential future trade agreements, USTR is committed to following the intellectual property-related negotiating objectives contained in Bipartisan Congressional Trade Priorities and Accountability Act of 2015.

4. For too long, China’s cheating has hurt American workers and undermined our manufacturing base. Targeted tariffs could help bring China and other bad actors to the table to reduce overcapacity. But it appears this Administration seeks to use tariff policy as a machete, rather than a scalpel. Donald Trump’s recently agreed to give concessions to technology companies in China, yet the threat of tariffs still lingers for popular consumer technology products, such as phones, connected devices, and laptops, used by businesses and schools alike.

As you consider future tariffs, does the administration intend to minimize the impact to consumers and technology companies in the United States? Would consumer technology products, like phones, connected devices, and laptops, be excluded from the final action?

Answer: During the notice and comment process, USTR received comments and heard witness testimonies related to the imposition of additional tariffs on consumer technology products. I have considered these comments and testimonies before taking final action on the additional tariffs. For many consumer items, the imposition of tariffs will be delayed to allow importers to make adjustments.

5. In 2016, Congress asserted its authority on the United States de minimis threshold. The Draft Statement of Administrative Action on the US Mexico Canada agreement transmitted to Congress on May 30 includes language that asserts that the Administration is considering potential changes to the US de minimis thresholds. I’ve heard concerns that the Administration is considering changes that would grant the executive branch with the authority to set de minimis levels, which would directly undermine the ability of Congress to maintain and exercise its Constitutional role over international commerce. As you consult with Congress on the renegotiated NAFTA and potential implementing legislation, will you commit to respect and maintain Congressional authority to set de minimis thresholds?

Answer: As noted in the Administration’s submission to Congress on changes to existing law and the draft Statement of Administrative Action, we identified this as an issue for consultation with the Committee on Ways and Means of the House and the Committee on Finance of the Senate. These consultations are underway. I look forward to continuing those conversations with you and other Members on this important issue.

6. While I'm concerned about the Administration's approach to de minimis in the context of the renegotiated NAFTA, I would welcome a discussion regarding the operation and impact of U.S. de minimis policy. For instance, has USTR reviewed which goods are entering the United States under the de minimis provision, and what tariff lines are most affected? How has the volume and types of trade claiming de minimis changed since 2015? How much duty loss is associated with trade entering the U.S. claiming de minimis status? What mechanisms, if any, are currently in place to monitor and enforce goods entering our borders claiming the de minimis exemption? What impacts has been seen on trade flows, domestic manufacturing, and our free trade agreement partners because of the change to the U.S. de minimis level in 2015?

Answer: Those are all excellent questions and I couldn't agree with you more that this is an issue that needs to be looked at. I am particularly concerned by efforts to circumvent the requirements of the de minimis provisions in U.S. law. We are looking at some of these questions and working with CBP and others to analyze the effects of the de minimis exemption and what it means for U.S. workers who have to compete with imports. I look forward to discussing this issue with you and any other Member of Congress.

From Representative Jimmy Panetta to Ambassador Robert E. Lighthizer

1. The AFL-CIO has made a number of recommendations to improve the labor chapter to make the agreement better reflect core International Labor Organization conventions and would improve the agreement. Recommendations include creating an independent labor secretariat, better specifications for terms like “acceptable work conditions,” requirements to prosecute that committing worker violence, and stronger protections for recruited migrant workers, some of whom travel to work in my district.

Is USTR willing to work updating the Mexico labor annex or negotiating another enforceable side deal to make labor improvement such as these?

Answer: I am committed to vigorously enforcing our trade agreements, and believe that the USMCA will strengthen our trading partners’ labor standards and help ensure a level playing field for U.S. workers. My team at USTR and I have maintained an ongoing dialogue with the AFL-CIO and other key labor stakeholders regarding the USMCA labor obligations. I will continue to work with you and other Members of Congress to discuss options and policy tools for monitoring the implementation of these important reforms and enforcing Mexico’s obligations under the USMCA.

2. The Brown-Wyden labor proposal contains a mechanism for cooperation between parties and would encourage verifiable inspections. Mexico originally balked at this idea but has since said that this proposal would need to be reciprocal for them to agree to it, opening the door to it.

Is USTR willing to work towards negotiating an additional deal that includes the Brown-Wyden proposal, should this be a necessary path of action?

Answer: I agree completely that the United States must vigorously enforce its trade agreements, and the Administration worked very closely with the Government of Mexico to ensure that Mexico’s labor reforms met the obligations of the USMCA Labor Chapter and Annex on Collective Bargaining. On May 1, 2019, Mexico’s Congress passed legislation that complies with its USMCA labor commitments, and Mexico is currently taking steps to implement these reforms. I will continue to work with you and other Members of Congress to discuss options and policy tools for monitoring the implementation of these important reforms and enforcing Mexico’s obligations under the USMCA.

3. The renegotiated NAFTA is an improvement upon the original on environment, given that this deal actually includes an environmental chapter. While the deal includes many environmental provisions that were a part of the Trans Pacific Partnership (TPP), it does not include any reference to climate change.

Is USTR willing to work towards updating the environmental chapter or negotiating another enforceable side deal that both mentions climate change and makes commitments to fight it?

Answer: The USMCA Environment Chapter includes the strongest and most comprehensive set of enforceable environmental obligations of any previous U.S. trade

agreement. While I am committed to continuing to work with you and other Members of Congress to discuss options and policy tools to address concerns that have been raised with respect to the Agreement’s environment provisions, I will also continue to follow the guidance provided in TPA regarding free trade agreements and climate change

4. There remain strong concerns regarding state-to-state dispute settlement, and the ability for one party to block a dispute panel. You have stated to Senate Finance Ranking Member Wyden that the text of USMCA “is not meant to allow panel blocking.”

While that clarification may be helpful, is USTR willing to either update USMCA’s text or negotiate a side agreement that makes that clarification official?

Answer: I am committed to ensuring that the agreement is enforceable. My staff and I have been working with the process set up by the Speaker and this is one of the issues we are discussing.

5. My colleagues and I wrote to you with our concerns regarding access to medicines, specifically taking issue with the 10-year exclusivity period for biologics.

Is USTR committed to working with our trading partners to ensure that the United States has the freedom to set its own standards for exclusivity?

Answer: USTR is committed to following the intellectual property-related negotiating objectives contained in Bipartisan Congressional Trade Priorities and Accountability Act of 2015. The exclusivity period provision in USMCA does not and is not intended to prevent Congress from determining U.S. law in this area. The provision does not affect U.S. law at all, and requires Canada and Mexico to adopt certain U.S. standards for intellectual property rights.

6. I’m encouraged by Mexico’s reform of their labor laws, and given the country’s current leadership, am hopeful they are committed to real change. But Mexico has a lot of work to do, both in standing up new institutions and breaking old cycles of anti-labor behavior.

Has USTR considered the difficulties that Mexico faces in achieving true reform, as opposed to simply having reforms on the books, as we negotiated the labor annex?

Answer: I agree that Mexico has demonstrated a very strong commitment to transform its system of labor justice, and the Administration will continue to work closely with the Government of Mexico as it implements these historic reforms. As with any major reform, I anticipate that we will have questions about its implementation. I will continue to work with you and other Members of Congress to discuss options and policy tools for monitoring the implementation of these important reforms and enforcing Mexico’s obligations under the USMCA.

7. Given the strains of the 25% tariffs on List 3 products, these companies may want to file for exclusions. Unfortunately, USTR has yet to create an exclusion process for List 3 products. Last week, Ambassador Doud confirmed that USTR has a plan to create an exclusion process for List Three products, but did not provide many other additional details.

What is USTR's timeline for introducing an exclusions process, and can you provide any additional details on how it might work?

Answer: Interested persons may submit requests for exclusion from the additional duties under the \$200 Billion Tariff Action (List 3) between June 30 and September 30, 2019. Please see 84 FR 29576, dated June 24, 2019.

8. Ambassador Lighthizer, you noted yesterday that talks are progressing with Japan, and that you envision a deal in next few months. Currently, agricultural producers, including California wine producers, are at competitive disadvantage to winemakers in Australia and New Zealand, who have duty-free access to the Japanese market.

Can you provide a fuller picture on how those talks are progressing, and the prospects of getting either TPP-level or greater than TPP level market access for our agricultural and wine producers?

Answer: It is a top priority of the Trump Administration to negotiate a trade agreement with Japan to advance the interests of our agricultural producers in this important market. Many Members have expressed similar concerns to me, which is why we are pursuing an initial agreement with the Japanese to address market access for agricultural products, including wine. I have met several times with my Japanese negotiating counterpart in recent months to advance these discussions, including in Washington on August 1-2. A top objective of these negotiations is to ensure that U.S. agricultural exporters, including U.S. wine producers, are not disadvantaged by Japan's other trade agreements.

9. I have become increasingly concerned with this Administration's willingness to use national security as a pretext for economic and trade policies, most notably on the Section 232 steel and aluminum tariffs. That is why I have introduced legislation, the Bicameral Congressional Trade Authority Act of 2019, to ensure Congress is able to review and approve such tariffs and ensure that determinations of national security threats are made by the Department of Defense, not the Department of Commerce.

Now, the President has once again used emergency declarations to threaten tariffs, regarding the suspended 5% tariffs on all goods from Mexico. You told Senator Menendez that it is "absolutely" appropriate to threaten tariffs to address an immigration issue. Where does the Administration draw the line on the use of tariffs, particularly to non-trade ends?

Answer: I am focused on getting the USMCA through Congress, and of course continue to fully support the President as he uses the tools available to him to address the border emergency. The President, like previous Presidents, has ample legal authority to use economic tools to address national security issues. I recommend directing specific questions on addressing the emergency at the Southern Border to the White House.

10. When it comes to unfair trade, China has consistently been a bad actor. From intellectual property abuses to forced technology transfers, China has long acted with impunity and harmed American companies. The Administration cited these concerns in launching their Section 301 investigation and imposing tariffs on Chinese imports. While we must challenge China on these issues, these tariffs are causing pain on both sides, and are not a sufficient long-term strategy. Reaching a deal to reduce these tariffs and create enforceable obligations related to currency manipulation, market access, intellectual property, and forced technology transfer seemed within reach a month ago. However, these talks have broken down recently, with both sides blaming the other.

Can you describe what caused the most recent breakdown in these talks, and prospects for this deal moving forward?

Answer: The Administration is committed to working toward a more fair and reciprocal trade relationship with China. As you note, there is a long history of unfair trade practices by China, which have had – and continue to have – a significant economic costs to U.S. workers and businesses. USTR’s thorough and robust Section 301 investigation confirmed this, and President Trump took action after years of Administrations failing to deal with these problems. Our hope was that China would have responded to the findings in the Section 301 investigation and the subsequent U.S. tariff actions by undertaking the necessary economic and policy reforms needed to end its trade-distortive practices. Instead, China retaliated with tariffs on U.S. products. Currently, the Administration’s use of tariffs under Section 301 is providing the United States with an important source of leverage to bring China to the table to negotiate an enforceable agreement that will address China’s unfair trade practices. The Administration does not have a predetermined timetable for how long it will be necessary to leave these tariffs in place.

In the current negotiations with China, we are seeking to address a wide range of unfair trade practices, including ones that support non-market forces. Our negotiations with China stalled in May 2019 following months of hard work and candid and constructive discussions. By that time, the parties had reached agreement on a number of important matters. In wrapping up the final important issues, however, the Chinese moved away from previously agreed-upon provisions and undermined our progress. For an agreement to be reached, China must commit to real structural changes and cease its unfair trade practices, as well as end its retaliatory actions. Any agreement must also be enforceable.

From Representative Bradley S. Schneider to Ambassador Robert E. Lighthizer

1. Ambassador Lighthizer, I'd like to raise a trade barrier concern that was brought to my attention recently by a nitrogen fertilizer manufacturer headquartered in my district. The United States allows duty-free entry of European fertilizers while the EU imposes a 6.5% duty on imports of most U.S. fertilizers. The EU also recently imposed an antidumping duty on imports of U.S. urea ammonium nitrate fertilizer, making the total import duty level over 29%. CF Industries, in my district, submitted public comments in connection with the Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute and I know USTR recently released its proposal of retaliatory tariffs, and included nitrogen fertilizers. I'd like to know when you plan to make a final determination, and do you plan to keep nitrogen fertilizers on the final list of EU imports to be subject to retaliatory duties? Additionally, I would like to know if you plan to raise the removal of the duties on nitrogen fertilizer in your negotiations with the EU?

Answer: USTR has received comments and heard witness testimonies from the fertilizer industry during the notice and comment process. I will consider these comments and testimonies before taking action in the WTO EU-Large Civil Aircraft dispute. After the WTO arbitrator issues its report on the value of countermeasures, I will announce the action we will take to enforce U.S. rights in the dispute, which could include additional duties on a final product list covering a level of trade commensurate with the adverse effects determined to exist.

From Representative Tom Reed to Ambassador Robert E. Lighthizer

1. NY dairy farmers lost around \$50 million of exports to Canada due to its Class 7 milk price class. Seeing the Class 7 system eliminated in USMCA is extraordinarily important for our farmers back home. But the longer USMCA remains unratified, the longer Class 7 stays on the books in Canada.

During this prolonged period of low milk prices, USMCA provides improvements that we can't wait for. Given all these benefits, we have some concerns regarding enforcement. How will USTR enforce the new dairy provisions with regard to Canada to ensure that they don't create a 'Class 8' or another milk price class that would undercut U.S. dairy farmers again?

Answer: We are closely monitoring developments in Canada, including its implementing legislation and its discussion with its stakeholders. The Agreement has strong and detailed transparency and consultation provisions, particularly regarding dairy pricing and tariff-rate quota administration, to help address and prevent any problems that may arise. Once USMCA enters into force, all of these commitments will be fully enforceable under the Agreement's state-to-state dispute settlement mechanism.

2. Recently, Mexico has ratified USMCA and Canada has taken steps toward ratifying the trade deal as well. At the end of May, USTR submitted the draft Statement of Administrative Action. With all three countries having taken steps toward ratifying USMCA, how do you see the process playing out in Canada, and what is your timeline for submitting the implementing bill to Congress?

Answer: The Trudeau government has begun necessary steps to ratify the USMCA in its Parliament and has stated that it plans to move forward on implementation in tandem with the United States. The Canadian Parliament has adjourned for the summer and is not expected to return before federal elections are held on October 21, 2019. We anticipate that Canada will take up the legislation once a new government is seated later this fall, and we are confident that the Parliament will vote in favor of the Agreement. With regard to the U.S. implementing bill, as I have done throughout the negotiation of USMCA, I continue to consult with Congress on both content and process. In particular, I am working closely with leadership in the House to ensure that we are ready with an implementing bill when the Speaker is ready to move forward.

3. The inclusion of a provision on currency is the first time that the United States has included such a provision within a trade deal – and I hope this sets a precedent. We know that bad actors devalue their currency for competitive purposes, and this has hurt American manufacturers especially. Can you tell me, is this provision something that USTR plans to include

From Representative Brian Higgins to Ambassador Robert E. Lighthizer

1. Mexico has shared their anticipated timetable for implementation of their labor law reforms pursuant to the new agreement. Given the ambitious nature of that schedule, what is the Administration's plan for technical assistance, monitoring, and enforcement to ensure Mexico is complying with its obligations as the labor law reforms are implemented in both the short and long term? What type of legislative authority exists, and are there any limitations to that authority, that Congress should consider?

Answer: I am committed to vigorously enforcing our trade agreements, including the labor obligations, and the Administration worked very closely with the Government of Mexico to ensure that the labor reforms Mexico passed on May 1, 2019 met the obligations of the USMCA Labor Chapter and Annex on Collective Bargaining. The Administration will continue to work closely with the Government of Mexico as it implements these historic reforms, including through technical assistance from the U.S. Department of Labor and other U.S. agencies.

I look forward to working with you and other Members of Congress as we continue to discuss options and policy tools, including technical assistance, for monitoring the implementation of these important reforms and enforcing Mexico's obligations under the USMCA.

2. Japanese automakers have more than doubled their automotive production in the United States since 1990 to 3.8 million units in 2017. This direct investment in production has resulted in the employment of tens of thousands of American workers. There are well-documented instances where the ability of American workers to organize and collectively bargain with these automakers has faced significant anti-union campaigns. Will improving worker rights for American autoworkers be part of your current negotiation with Japan? When will members and their staff be briefed on the ongoing negotiations with Japan?

Answer: The Administration intends to continue to pursue high-standard labor provisions in our comprehensive trade agreements, and I remain committed to the labor objectives outlined in the Administration's December 2018 Negotiating Objectives for a U.S.-Japan Trade Agreement. I am happy to brief you privately on the status of our negotiations with Japan.

3. The UAE and Qatar signed agreements with the United States last year in an effort to address the concern of unfair subsidization of their airlines. In the US-Qatar agreement, Qatar committed to adhering to "market consistent conditions as far as possible". Qatar's recent investment in Air Italy indicates they are trying to circumvent the commitments made in the agreement and undermine its validity. Bipartisan members of Congress, governors and airline workers have encouraged the Administration to enforce the agreements. Does the Administration plan to enforce the tenets of agreement?

Answer: The Departments of State and Transportation have the lead on international air transport issues. USTR will continue to work with them to enforce U.S. rights under international air transportation agreements.

From Representative John Lewis to Ambassador Robert E. Lighthizer

1. Please may you detail how and when USTR coordinates with the Department of State's Race, Ethnicity and Social Inclusion Unit (RESIU) on the questions of labor, human and civil rights, and the rule of law with our trading partners in the Western Hemisphere?

Answer: USTR works closely with the U.S. Departments of Labor and State, as well as other agencies, to monitor labor practices in trade partner countries, and the Western Hemisphere is a major focus of this collaboration. The United States has trade agreements with Central America and the Dominican Republic, Chile, Colombia, Mexico, Panama and Peru, and all include ongoing labor dialogue and engagement. For example, within the past year, officials from USTR, DOL and State have met with government officials and stakeholders in all of these countries, and on multiple occasions in the cases of Mexico, Colombia, Peru and Honduras. The Department of State's RESIU unit provides information that supports these monitoring trips and engagement, in coordination with its Bureau of Democracy, Human Rights and Labor. I look forward to consulting with you and your colleagues on Western Hemisphere labor issues in the future.

2. USTR frequently references its collaboration with and reliance upon the Department of Labor's International Labor Affairs Bureau in labor enforcement of U.S. trade agreements.

Do you support increased funding for ILAB to bolster the labor enforcement strategy?

Answer: USTR is not involved in budget decisions for the U.S. Department of Labor. However, I am aware that ILAB is investing resources for research, monitoring, and technical assistance on labor rights issues in more than 40 trade partner countries. These efforts contribute to the Administration's enforcement of the labor chapters of trade agreements and labor provisions of preference programs. This assistance is critical and includes new programs in Mexico to support the implementation of the USMCA Labor Chapter and Collective Bargaining Annex, as well as ongoing support in Colombia, which includes the posting of a full-time labor attaché at the U.S. Embassy in Bogota.

3. The United States-Brazil Agreement on Trade and Economic Cooperation (ATEC) references the importance of a trade agenda that is consistent environmental and ILO policies towards sustainable development. I remain increasingly concerned about the deteriorating human and civil rights situation in Brazil. Members of Congress receive alarming reports of indigenous, Afro-Brazilian, LGBTQ, and other civil society activists facing increasing threats, attacks, and extrajudicial killings. The 2019 Trade Policy Agenda mentions that the next United States-Brazil Commission on Economic and Trade Relations meeting is expected to occur in Brazil later this year.

Will the United States delegation mention the concerns about threats to civil society, land rights, and environmentalists in the Commission meetings?

4. Will USTR consult with the Department of State's Race, Ethnicity and Social Inclusion Unit (RESIU) before participating in United States-Brazil Commission on Economic and Trade Relations discussion?

Answer for questions 3 and 4: The closer relationship between the United States and Brazil provides opportunities to deepen our trade relations. USTR works closely with the U.S.

Departments of Labor and State, as well as other agencies, to monitor labor practices in trade partner countries. The Department of State’s RESIU unit provides information that supports USTR monitoring and engagement activities, in coordination with its Bureau of Democracy, Human Rights and Labor. We are consulting with the Department of State and other agencies as we seek to enhance the work of the United States-Brazil Commission on Economic and Trade Relations.

5. USTR has a growing workload of processing section 301 exclusion requests in what our constituents hope will be a fair and timely manner. This work is in addition to the many outstanding labor petitions and alarming reports in places like Colombia.

Do you believe that USTR has adequate tools, staff, and resources to enforce the labor and environmental commitments in NAFTA 2.0 and manage its increasing workload?

I am committed to vigorously enforcing our trade agreements, including the labor and environmental obligations. Just last month, I took action to block future timber imports from Inversiones WCA, a Peruvian exporter, based on illegally harvested timber found in its supply chain.

Under the current NAFTA, the limited labor and environmental obligations are not in the core of the Agreement and are not fully enforceable. In contrast, USMCA has the strongest labor and environmental text that has ever been in any U.S. trade agreement. USTR has the resources and will to enforce USMCA’s robust obligations in these areas. Our hope is that Congress will pass the agreement soon so that the deficiencies of NAFTA can be replaced with the strong obligations in USMCA.