



The STRONGER Act of 2015 (H.R. ____)

Congressman Earl Blumenauer ■ Third District of Oregon ■ www.blumenauer.house.gov

STRENGTHENING AMERICA'S TRADE LAWS

The problem:

As trade agreements have evolved to more accurately reflect international commerce, they've become more complex. This complexity limits the U.S. ability to simultaneously oversee, implement, and enforce these agreements. To date, the U.S. has been unable to sufficiently manage this expanding challenge.

For example, in 2001 China joined the World Trade Organization (WTO). Nearly 15 years later, as outlined in the 2014 Special 301 Report, Chinese laws still call for mandatory intellectual property transfers from U.S. firms to Chinese parties—laws that are inconsistent with their WTO commitments. Similarly in Peru, the US-Peru Free Trade Agreement went into effect in 2009 and contained some of the strongest environmental protection and conservation provisions ever included in a trade pact. Implementation, however, has been glacial and has faced constant efforts to roll back progress.

These two examples do not necessarily demonstrate a lack of commitment to enforcing our trade agreements. They do, however, demonstrate that enforcement resources have not kept pace with the scope and complexity of our trade agreements. As a result, we have not been able to extract the full value of our agreements to the disadvantage of our businesses and workers. Looking ahead, some TransPacific Partnership countries will need significant capacity building and technical assistance if they're to meet their new commercial, environmental, and labor obligations.

The solution:

The *STRONGER (Supplemental Trade Review, Oversight, Noncompliance and General Enforcement Resources) Act of 2015* would create a fund jointly managed by the United States Trade Representative and the Department of State, and available to agencies for a narrow set of uses aimed at the enforcement and implementation of our trade agreements.

The Enforcement Fund would follow the precedents of the Migratory Bird Conservation Fund, the Sport Fish Restoration & Boating Trust Fund, and others that rely on a small portion of related tariff revenue to fund a multi-agency effort. During the last five fiscal years, the U.S. has averaged \$442 million in anti-dumping and countervailing duties (AD/CVD), which go straight to Treasury's General Fund. The Enforcement Fund would receive a small fraction of our annual AD/CVDs—never to exceed \$30 million with a maximum transfer of \$15 million annually—for the enforcement and implementation of our trade agreements.

Specifically, U.S. agencies would be authorized to use Enforcement Fund resources for:

- Enforcement of current and future FTAs;
- Implementation and enforcement of WTO obligations to which the US is a party;
- Capacity building focused on effective implementation and compliance with FTA commitments, with priority given to environmental, labor and IP commitments;
- Monitoring and evaluation of US capacity building efforts to ensure investments are spent wisely; and
- None of the funds could be used for negotiating new trade agreements.

Supported by:

[We are circulating draft language and securing letters of support.]

For more information on Congressman Blumenauer's trade agenda, contact Michael Harold in DC at (202) 225-4811, or visit Congressman Blumenauer's website at <http://blumenauer.house.gov/>.