

Trade

As a mill worker for 29 years at the Great Northern Paper Company, Mike knows the devastating effects that years of unfair trade has had on Maine and the nation as a whole. He believes we must find a way to promote fair labor and environmental standards abroad so that Americans can compete on a level playing field. In addition, he believes we must develop an entirely new trade model that is fair for workers everywhere. As co-founder of the House Trade Working Group in Congress, Mike is committed to leading the charge for fairer trade deals.

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- U.S. Trade and Development Agency
- Office of the United States Trade Representative
- Maine International Trade Center
- U.S. Trade Deficit Ticker

The House Trade Working Group

Mike and Congresswoman Linda Sánchez formed the House Trade Working Group in the 110th Congress to fight for fairer trade deals. Members of Congress from both parties and outside organizations, who have a stake in the trade fight, including the U.S. Business and Industry Council, are active participants in the group. The group has pushed forward looking trade policy and has organized efforts against unfair trade deals. The House Trade Working Group organizes press conferences, briefings, letters, and other initiatives to fight for fairer trade deals. Mike has received the United Steelworkers highest legislative award, the Wellstone Award, for his leadership on trade. In addition, Mike has received the U.S. Business and Industry Council Award for his fight to save American manufacturing jobs. Earlier this year the House Trade Working Group was successful in working with the congressional leadership to put a halt to the Colombian Free Trade Agreement.

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Banning the U.S. Sale of Imported Sweatshop Products

Mike and Republican Congressman Chris Smith introduced legislation to bar the U.S. sale of imported products made in sweatshop factories. This legislation would not only impose a hefty fine for violating the ban, but it also gives those who sell legitimately produced products the right to sue to recover damages from those who violate the prohibition. Specifically, this legislation imposes a \$10,000 fine for each violation. In addition, it also allows U.S. retailers the right to sue their competitors in U.S. courts if their competitors sell merchandise produced in sweatshop factories.

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Replacing Fast Track

As Congress

considers the reauthorization of the Trade Promotion Authority Act (otherwise known as Fast Track), Mike will continue to fight for Congress to have more of a say in trade negotiations. Mike has introduced legislation to repeal Trade Promotion Authority. Under the current "Fast Track" structure, Members of Congress may not amend a trade bill in any way, thus shutting out the people's voice and preventing their direct representatives from holding the negotiators responsible for harmful and misguided trade policies. Mike believes that the Fast Track model must be replaced or drastically revamped in order to ensure that Members of Congress have a say in what goes into these trade deals. Mike will continue to oppose Fast Track and other similar legislation that would unjustly harm hardworking Mainers.

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Deficit

The U.S. trade

deficit figures show an ever-widening gap between our nation's imports and exports. Over the past eight years, the United States has been registering record trade deficits. In 2007, the United States imported \$738.6 billion more goods and services than it exported in 2006. With the U.S. generating a gross domestic product of \$13.9 trillion in 2007, the trade deficit represents 5.3 percent of GDP—a slight decrease from last year's 6.1 percent.

Mike

believes that we must take a multi-faceted approach to addressing this trade imbalance. He believes we must address the discrimination of the value-added tax structure (VAT) under the World Trade Organization. Value-added taxes effectively subsidize foreign exports and penalize American goods and services in both our home market and foreign markets.

In 2005, the estimated VAT disadvantage to U.S. goods producers was \$294 billion and to U.S. services providers it was \$85 billion. That's a combined disadvantage of \$379 billion. Those numbers have only grown since then because even more countries have adopted a VAT system and U.S. trade with these VAT countries has increased. Mike has introduced bi-partisan legislation to address this tax that burdens American businesses.

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Fair Currency

Since 1994 the Chinese government has actively manipulated its currency, a practice deemed illegal under existing international trade law. This practice has contributed to our enormous trade deficit with China which is at \$142 billion through July of this year and was \$256 billion last year. Mike is an original cosponsor of the Ryan-Hunter Fair Currency Act to address our trade imbalances. This legislation would add currency manipulation to the list of unfair trade practices actionable under U.S. trade law. Domestic American manufacturers could file currency complaints against China with the U.S. International Trade Commission (USITC) and seek sanctions on Chinese products until the illegal practice is ended.

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Personal Exemption Allowance

Mike believes the disparity in the personal exemption (duty-free) allowance hurts American businesses because Canadians and Mexicans can't buy as many of our goods while they are in the United States as we Americans can buy while in their country. This inconsistent system puts American businesses at a competitive disadvantage to Canadian and Mexican retail businesses located on or near the border. Mike has introduced legislation that would urge the Treasury Department to negotiate parity in the personal exemption allowance.

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The Trade Act

Mike joined with Senator Sherrod Brown of Ohio to introduce the Trade Reform, Accountability, Development and Employment (TRADE) Act. Mike worked with an array of labor, environmental, consumer, faith and family farm organizations to develop a bill that presents a progressive vision of what a good trade agreement should include. The TRADE Act

requires a review of existing trade agreements, and a renegotiation of existing trade agreements based on that review.

The TRADE Act represents a tremendous step forward in fixing America's broken trade policies, and it sets a new course on trade that will benefit businesses and workers in Maine and across the nation.

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Expanding Trade Adjustment Assistance

In the 110th Congress, Mike was an original co-sponsor of H.R. 3920, the Trade and Globalization Assistance Act. This important legislation expands and improves Trade Adjustment Assistance, which provides job training and other assistance to workers who have been laid off due to trade, including extending it to service workers and to more manufacturing workers. While H.R. 3920 received bipartisan support and passed the House by a vote of 264-157, it is still awaiting consideration by the U.S. Senate. In addition, Mike has worked tirelessly with Maine workers and businesses as well as the U.S. Secretary of Labor to secure Trade Adjustment Assistance for those negatively impacted by unfair trade policies.

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