



News Release

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Sasse and McCain Announce Opposition to President's Nominee for Trade Representative

"Unfortunately, your confirmation process has failed to reassure us that you understand the North American Free Trade Agreement's (NAFTA) positive economic benefits to our respective States and the nation as a whole."

Washington, D.C. - Tonight, U.S. Senators Ben Sasse (R-NE) and John McCain (R-AZ) wrote to Robert Lighthizer, announcing their intent to oppose his nomination to be United States Trade Representative (USTR).

The full text of the letter is available below.

Dear Mr. Lighthizer,

We write to explain our intent to oppose your nomination to be United States Trade Representative (USTR). Unfortunately, your confirmation process has failed to reassure us that you understand the North American Free Trade Agreement's (NAFTA) positive economic benefits to our respective States and the nation as a whole. We fear that you do not have an appreciation for the millions of jobs created by this free trade deal, and that you would not champion agriculture during your time as USTR. Furthermore, we worry that you would not negotiate trade deals that would protect the American consumer and expand economic growth. These concerns, along with the need for Congress to grant you a waiver to serve in the Trump Administration in a must-pass omnibus spending bill is troubling.

Beyond your vocal advocacy for protectionist shifts in our trade policies, the Administration's ongoing, incoherent, and inconsistent trade message has compounded our concern. This is especially troubling because confirming a USTR grants the Administration additional legal authority to negotiate trade deals that Congress must consider under "fast track" procedures. Given these circumstances, granting the Trump Administration additional legal powers through your confirmation without understanding how you or the Administration intend to use those powers would be irresponsible.

A constant theme throughout your confirmation process has been your failure to grasp the importance of protecting agriculture in trade negotiations. Your meeting with one of us (Senator Sasse) did nothing to disabuse of us this notion. America needs a USTR who will effectively defend agriculture during trade negotiations and fight to expand agricultural export markets, not let America's farmers and ranchers become collateral damage in a trade war.

You also have made your skepticism of NAFTA well known, which we find to be alarming. America deserves a USTR who will renegotiate NAFTA in order to build on its successes, not as a pretext for unraveling it. Mexico and Canada are two of our largest export markets and the free movement of goods is essential to the growth of our national economy. For example, Mexico is Arizona's number one trading partner, accounting for 40 percent of the State's exports to foreign markets. This is due to the free trade policies in NAFTA that create fewer trade barriers with Canada and Mexico, which makes it easier for Americans to make a living and provide for their families. Further, according to the Nebraska Farm Bureau, a withdraw from NAFTA could cost Nebraska farmers and ranchers more than \$2.6 billion per year in agricultural exports. Increasing trade barriers with Canada and Mexico, and risking a trade war, only hurts American families and small businesses.

The Trump Administration's incoherent and inconsistent trade posture to date makes it impossible for us to overlook our concerns with your nomination. On April 29, 2017, President Trump signed an executive order that required the Secretary of Commerce and the USTR, in consultation with several federal agencies, to "conduct comprehensive performance reviews" of all of the United States' free trade agreements and "renegotiate or terminate" policies that the Administration believes are harmful to the United States. This executive order was signed only days after the release of troubling reports of the Trump Administration's preparations to withdraw from NAFTA. Reports that the Administration is even considering withdrawal from NAFTA is contrary to previous statements from key Administration officials - including Dr. Peter Navarro,[1] Secretary Wilbur Ross, [2] and Secretary Steve Mnuchin,[3] - that NAFTA would only be up for re-negotiation, not withdrawal. These disjointed positions are causing great uncertainty over the Administration's trade objectives.

Moreover, this incoherent and protectionist message on trade has caused serious uncertainty for export markets, and has harmed our valuable relationships with Canada and Mexico. The Administration's actions may also encourage our trading partners to move their markets elsewhere, especially if they believe that future negotiations will hurt their interests. For example, Mexican officials have cited the possible re-negotiation of NAFTA as a major reason why they are currently pursuing actions to import less corn from the U.S. and more from other nations, including Argentina and Brazil.

Other countries may follow Mexico's suit. For example, China continues to advance the Regional Comprehensive Economic Partnership (RCEP), a regional multilateral trade agreement in the Pacific that includes our current FTA partners, South Korea and Australia, as well as Japan, a potential FTA partner. According to the Congressional Research Service, should the RCEP move forward in its current form, the "United States would face higher tariffs in RCEP markets"[4] and thus many of our trading partners could run to RCEP markets under trade rules set by China.

Confirming your nomination would allow the Trump Administration to negotiate "fast track" trade agreements, a power that Congress granted the executive branch in the 2015 reauthorization of TPA. For us to consider the complete implications of confirming you, the Administration would need to provide Congress with clear trade objectives with respect to: 1) the North America Free Trade Agreement (NAFTA), as well as a timeline for upcoming negotiations; 2) other free trade agreements

(FTA); and 3) future FTAs, including which countries the Administration intends to pursue trade negotiations and timelines on those intended negotiations.

We hope the future actions and the Administration's future actions will prove us wrong. The economic well-being of consumers, small businesses, farmers, and ranchers across our country depend upon it.

Sincerely,

U.S. Senator Ben Sasse
U.S. Senator John McCain

[1] Regarding NAFTA negotiations, Dr. Navarro indicated that the Administration looked forward to good negotiations with Canada and Mexico. <http://video.foxbusiness.com/v/5380277290001/?#sp=show-clips>

[2] Secretary Ross has previously stated that NAFTA "needs an update." <http://www.cnbc.com/2017/03/10/commerce-sec-wilbur-ross-aims-to-start-formal-nafta-renegotiation-process-in-the-next-few-weeks.html>

[3] During his confirmation hearing, Mr. Mnuchin responded to a question from Sen. Carper regarding NAFTA renegotiation. Mr. Mnuchin responded, "I'm optimistic that we can renegotiate that deal that's both advantageous to us and advantageous to Mexico, that's [sic] it's a win-win for both countries." <http://transcripts.cnn.com/TRANSCRIPTS/170119/cnr.05.html>

[4] U.S. Congressional Research Service, The United States Withdraws from the TPP, Report IN10646, February 13, 2017.