



Governor Hickenlooper's Plan for a New Open and Fair Trade Policy

As Governor, John Hickenlooper took Colorado from 40th in job growth to the number one economy in America, according to *US News & World Report*.¹ Part of the secret to Colorado's new economic strength is trade; Colorado now exports over \$8 billion in goods each year, accounting for over 40,000 jobs. Hickenlooper understands how trade – when done right – can benefit our farmers, entrepreneurs, technology companies, aerospace sector, and many other areas where America continues to lead the world in innovation. As President, Hickenlooper will launch a new set of policies to ensure open and fair trade for America.

Hickenlooper will unveil his broader economic agenda in New Hampshire on May 3. It rejects the idea of demonizing the private sector to score political points, and instead issues a clarion call for rebooting American capitalism, so that it produces both greater economic equality *and* greater economic growth.

Ahead of that event, Hickenlooper is releasing today details of his plan to ensure open and fair trade, in a way that benefits American workers, employers, investors, and national security interests. There are five key elements to his plan:

- Ensure trading partners adopt and enforce fair **labor and safety standards**
- Ensure the protection of **IP rights** of American companies
- Require trading partners to **enforce environmental and climate standards**
- Ensure US firms enjoy **equitable and comparable investment rights** abroad
- Ensure US workers have assistance to **adjust to job displacement** from trade

At a time when our president and many leaders in both parties are pursuing steps to restrict trade, Hickenlooper believes we must expand trade, on fair terms, in order to have a growing economy. The United States has gained enormously from the structure of alliances and trading networks it helped build and lead in the decades succeeding World War II. Ninety-five percent of the world's consumers now live outside the US.² Our country's global trade supports 41 million US jobs.³ Export-led growth, if conducted fairly, can lower consumer prices, raises wages, and increase demand for US goods.

One of Donald Trump's most harmful and short-sighted actions has been to launch tariff wars and walk away from trade agreements that held the promise of growing our economy, creating good jobs, and deepening security ties with friends and allies around

¹ <https://www.usnews.com/news/best-states/rankings/economy>

² <https://ustr.gov/issue-areas/economy-trade>

³ <https://www.uschamber.com/international/international-policy/benefits-international-trade>

the world. Rather than cooperatively working with foreign friends and allies to improve the terms of trade, he has unilaterally attacked the global trading system, with dire consequences for our country:

- Trump's own Department of Agriculture estimates that the on-going tariff war will have an \$11 billion negative impact on U.S. agriculture.⁴
- U.S. farmers in the Midwest are filing for chapter 12 bankruptcy protection at the highest levels in a decade. In seven Midwestern rural states, including Iowa, farm bankruptcies in 2018 were almost double the amount from 2008.⁵
- The US lost out on an estimated \$131 billion increase in annual real incomes, or .5% of GDP, due to failure to secure a trade deal with Pacific trading partners.⁶
- Researches at Iowa State University estimate that Iowa's overall losses in the agricultural industry will exceed \$1 billion in 2018 alone from trade disruptions linked to tariffs.⁷
- The global trade war set off by Trump's tariffs is devastating the dairy industry in Wisconsin and around the nation. The US Dairy Export Council estimates that over the next several years, retaliatory tariffs by Mexico and China could cost dairy farmers \$16.6 billion in lost revenues.⁸

Trump's destructive policies on trade, and the proposals of other anti-trade leaders, also threaten to undermine America's national security. As the US has pulled out of potential trade-expanding agreements, it has reduced our own ability to get help from friends and allies to address major challenges, from China's unfair trade practices, to North Korea's nuclear program, to Russia's bullying of its neighbors, to efforts to stem illegal immigration into our country.

By contrast, Hickenlooper's trade plan – in conjunction with his broad economic strategy – will ensure more growth, opportunity, and fairness for the American people. Hickenlooper understands that being absent from economic opportunity anywhere in our interconnected world is not an option. He believes open and fair trade is achievable, and essential to the prosperity and security of the American people.

Ensure Labor and Safety Rights as Part of Any Trade Agreement

As President, Hickenlooper will ensure that labor and safety standards in any trade agreement are set at the highest levels, and equally observed and enforced across all parties. This would ensure that no country that is a party to a trade agreement with the US is able to restrict the right for labor to organize, use child labor in its factories, force workers to work in unsafe conditions, or otherwise gain competitive advantage against US workers by mistreating their own workers.

⁴ <https://www.usda.gov/media/press-releases/2018/07/24/usda-assists-farmers-impacted-unjustified-retaliation>

⁵ <https://www.wsj.com/articles/this-one-here-is-gonna-kick-my-buttfarm-belt-bankruptcies-are-soaring-11549468759>

⁶ <https://piie.com/blogs/trade-investment-policy-watch/tpp-redux-why-united-states-biggest-loser>

⁷ <https://www.card.iastate.edu/products/publications/pdf/18pb25.pdf>

⁸ <https://www.nytimes.com/2019/04/26/us/politics/trump-trade-war-wisconsin-dairy.html?searchResultPosition=1>

Specifically, any trade agreements entered into by a Hickenlooper administration will:

- Ensure that labor and safety standards, *and strong enforcement of the standards*, are a precondition for new trade deals
- Ensure that a process exists to enable these standards to evolve and improve across the trading bloc over time
- Establish bilateral enforcement mechanisms where complaints can be addressed in a timely manner
- Ensure that penalties for non-observance are significant, and can include withdrawal of trading benefits
- Ensure that parties to trade agreements are limited in importing materials or product from countries which do not observe adequate labor and safety standards for export to the US, and that real enforcement mechanisms exist.

Ensure the Protection of IP Rights of US Companies

Intellectual property (IP) is a key American resource. Over 40 million US jobs are in “IP-intensive” industries, and these industries represent among the most competitive of our businesses internationally. These industries also tend to pay higher wages, and drive almost 60% of US merchandise exports. Protecting the IP behind these jobs will be a critical component of Hickenlooper’s Open and Fair Trade Policy.

As President, Hickenlooper will ensure that his open and fair trade policy:

- Provides strong protections for US firms’ patent, copyrights, and trademarks
- Provides strong penalties for theft of American IP, including by cyber theft
- Prohibits the importation or sale of counterfeit products
- Ensures IP protections across all countries are easily obtained and enforced, and that noncompliance penalties are strict, including withdrawal of trading privileges

Require Enforcement of Environmental and Climate Change Standards

Hickenlooper believes open and fair trade cannot come at the expense of America’s or the planet’s environment. Hickenlooper will particularly incorporate climate change goals into our trade agreements. The success of the planet’s efforts to combat climate change ultimately depend on international cooperation; we cannot do it alone. Previous trade agreements have too often ignored or underplayed climate change and greenhouse gas emissions as a multilateral problem. As part of his administration’s open and fair trade policy, Hickenlooper will:

- Ensure greenhouse gas emission goals to combat global warming are set and enforced as part of any trade policy
- Ensure that overall environmental standards, including adequate protections for clean air and water are included in any trade agreements

- Make enforcement mechanisms transparent and efficient, and have sufficiently severe penalties for noncompliance, including withdrawal of trade privileges
- Ensure that parties to the trade treaty are limited in importing materials or product from countries which do not observe adequate environmental standards, and then exporting those to the US, and that real enforcement mechanisms exist in enforcing this.

Ensure US Companies' Investment Rights are Protected and Equitable

Open and fair trade requires US companies and individuals to be able to invest across geographies. Some countries have unfairly constrained US firms from investing in their markets, even as they enjoy virtually unrestricted access to US markets. As President, Hickenlooper will:

- Ensure that the rights of American companies to invest, acquire, divest and gain market access are protected and equitable to those of foreign companies
- Ensure that national security exceptions to this policy are well defined and cannot be abused or misused for political purposes
- Ensure that enforcement mechanisms are efficient and transparent

Ensure US Assistance for US Workers to Ensure Skills and Mobility

Hickenlooper's open and fair trade policies will broadly increase growth and prosperity for American workers, employers, and investors. At the same time, Hickenlooper knows that trade can inevitably result in disruptions and losses for specific workers. He believes past US trade policies have done far too little to ensure American workers have the skills and mobility they need to move to new and better jobs – both generally, and in the specific context of trade displacement. Therefore, his open and fair trade policy includes a new set of policies that will provide federal assistance to workers preparing for jobs of the future and responding to changes caused by global trade:

- **Individual Security Accounts:** Hickenlooper will create a new system of Individual Security Accounts – “ISAs” – which are mobile accounts tied to individuals, funded pre-tax with a combination of government, worker and employer contributions, with continuing employer and employee contributions similar to current IRAs. Hickenlooper believes workers should be investing in improving their skills 3-5 years ahead of any job change, and ISAs will make that possible for all workers, including those who feel their jobs are at risk due to trade-related changes. ISAs could be used at any time for retraining or relocation in case of job loss, or folded into traditional IRAs on retirement
- **Additional assistance for trade-impacted areas.** The Secretary of Labor will designate geographic areas adversely affected by trade displacement. Residents in such areas will be able to devote more pre-tax funds to their ISAs, in order to help fund their training, relocation, and other steps related to adjustment.

- Hickenlooper's broader economic program includes policies that will also make it easier for workers to adjust to changing employment patterns, including free community college for those who cannot afford tuition, and universal coverage, so that workers can change jobs without fear of losing coverage.