

United States Senate
WASHINGTON, DC 20510

March 27, 2025

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

Your Administration has announced that it is undertaking a comprehensive review of our nation's trade policy, an action that is welcome and long overdue. Free trade and globalization have left us with offshored manufacturing, devastated communities, workers out of a job or in jobs with lower wages, and supply chains overly dependent on our adversaries in too many areas. Our states have suffered disproportionately, and we write to share policy solutions informed by that experience and to urge you to implement a pro-American worker trade policy.

The current global and domestic economic landscape is the result of deliberate policy choices. Now is the time to break the cycle and boldly set a new standard for how we design, implement, monitor and enforce our trade policies. Presidents of both parties have failed Americans on trade policy, and Congress has validated their mistakes—often, in close votes. Misguided decisions like granting Permanent Normal Trade Relations (PNTR), which paved the way for China's accession into the World Trade Organization (WTO), along with the passage of NAFTA and CAFTA, as well as support of the Trans Pacific Partnership, are part of a misguided narrative that free trade and liberalization would improve economic growth and living standards, which for many communities has proven false. Since 2001, flawed trade policies have contributed to the loss of 4.3 million manufacturing jobs here in the U.S. We have fought for a pro-American worker trade policy, and would strongly support reforms that are reasoned, strategic, and durable. Our goal should be a combined pro-U.S. worker trade agenda and proactive industrial policy and strategic use of tariffs that secures supply chains, revitalizes communities, creates good-paying, union jobs and re-establishes the United States as a leader in world manufacturing.

First and foremost, we must drastically revise our trade relationship with the People's Republic of China (PRC). By allowing China to join the WTO, the United States opted to treat the PRC like a market economy. Proponents claimed this would bring market reforms. That has proven a naïve and misguided approach. China still embraces a state-directed approach to trade and targets entire sectors and industries for global domination. China's non-market practices, rampant

abuses of labor and human rights, and government-sponsored trade cheating call for a complete rethinking of our economic relationship, including PNTR.

Each of the United States' 14 free trade agreements with 20 countries, including the United States-Mexico-Canada Agreement (USMCA), must be reviewed and revised where necessary, in order to ensure the best outcomes for American workers. While your Administration oversaw the negotiations of the USMCA, which contained the strongest labor standards of any free trade agreement thus far, there are urgent issues to be addressed during the upcoming review. The PRC has increasingly located facilities in Mexico to take advantage of proximity to the United States and preferential treatment of goods under USMCA. It has also failed to fundamentally change a core challenge facing American workers: the continued offshoring of good manufacturing jobs because of wage suppression, union busting and weak regulations in Mexico. There are long-standing challenges to the U.S. economy that USMCA's dispute mechanism has failed to address, such as Canada's treatment of the United States dairy sector. Separate from USMCA, the United States is part of agreements about government procurement, through the WTO or negotiated separately, that result in a losing deal for Americans. All such agreements must be thoroughly reviewed and recalibrated to level the playing field.

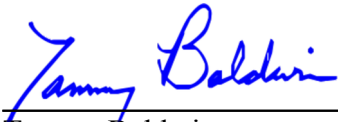
The ultimate goal of our trade enforcement mechanisms should not be to react to injury, it must be to deter and prevent cheating in the first place. Foreign entities will continue to transship, evade trade remedies, and create new ways to cheat and take advantage of the United States, and stopping problems as they come up in a "whack-a-mole" fashion is a reactive strategy. Strengthening trade enforcement mechanisms will curb cheating and manipulation by foreign countries. There are substantive bipartisan efforts in this area, such as the Leveling the Playing Field 2.0 Act to strengthen trade remedies and the Fighting Trade Cheats Act to empower private companies to hold bad actors accountable. Furthermore, there are some bipartisan efforts that can be addressed by executive action, like closing the de minimis loophole, which your Administration acknowledges results in lost tariff revenue and the importation of counterfeit products and contraband drugs like fentanyl. The loophole also puts American manufacturers and retailers at a disadvantage. In addition, critical support for American workers who lose their jobs due to the short-sighted policies of the past, such as Trade Adjustment Assistance (TAA), must be reauthorized and strengthened as we try to right the ship on trade policy, to allow those workers to access job training benefits and quickly return to the workforce.

Tariffs are important tools for leveling the playing field when they are enacted in a strategic, deliberate, and durable way, but it can take months and years for supply chains to adjust. The positive impact of tariffs and trade policy must be bolstered by a robust industrial policy to create and sustain good-paying jobs with efforts such as investments, Buy America requirements, tax incentives, and other programs like those included in Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act. To be successful, we must also keep corporations in check with equitable tax rates and strong antitrust laws to prevent price gouging. Critically, we must empower workers to join unions and earn fair wages to support a middle-class lifestyle and be able to save for a safe and secure retirement.

Lastly, we want to emphasize this proposal is critical to workers and communities in our states, as well as to our national security and emergency preparedness. Re-evaluating American trade policy and securing supply chains will strengthen our national security and better position the United States to defend itself if faced with conflict. During World War II, United States automakers shifted from producing civilian passenger vehicles to producing military equipment and weapons like tanks, engines, and aircraft. More recently, global events like the COVID-19 pandemic and the Russian invasion of Ukraine exposed the risks of our fragile supply chains. Now is the time to learn from these lessons and prioritize a trade policy that puts American workers first.

Thank you for your consideration of this most important issue.

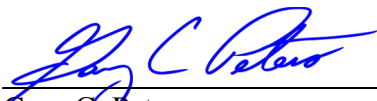
Sincerely,



Tammy Baldwin
United States Senator



Elissa Slotkin
United States Senator



Gary C. Peters
United States Senator