



## FACT SHEET

# The President's Trade Agenda and Annual Report

On February 28, 2018, U.S. Trade Representative Robert Lighthizer released President Trump's Trade Policy Agenda and Annual Report, outlining how the Administration is promoting free, fair, and reciprocal trade and strongly enforcing U.S. trade laws.

President Trump has launched a new era in American trade policy. His agenda is driven by a pragmatic determination to use the leverage available to the world's largest economy to obtain fairer treatment for American workers. This policy rests on the following five major pillars.

## 1. SUPPORTING OUR NATIONAL SECURITY

- A strong America is vital to fulfill our role in promoting and encouraging fair market competition around the world. This cannot be done by agreeing to trade policies that weaken our economy and undermine Americans' faith in global trading rules.
- President Trump is dedicated to preserving our national sovereignty, ensuring that Americans are not forced to live under new obligations to which the United States and its elected officials never agreed.
- Under President Trump's leadership, the United States' trade policy – like our national security policy – will seek to protect U.S. national interests against hostile policies from China, Russia, or any other countries. The United States will respond to unfair economic competitors by using all available tools to discourage any country from undermining true fair market competition.
- Countries that are committed to market-based outcomes and that are willing to provide the United States with reciprocal opportunities in their home markets will find a true friend and ally in the Trump Administration. Countries that refuse to give us reciprocal treatment or who engage in other unfair trading practices will find that we know how to defend our interests.

## 2. STRENGTHENING THE U.S. ECONOMY

- In December 2017, President Trump signed into law the *Tax Cuts and Jobs Act (TCJA)* – the most significant tax cut and reform law in more than 30 years. This tax reform will strengthen the U.S. economy and help make U.S. companies and workers more competitive in global markets.

- The centerpiece of the business tax reforms in the TCJA is a reduction in the top statutory corporate tax rate from 35% to 21%, aligning the United States with our major trading partners and allowing our businesses and workers to compete on a level playing field.
- By switching from a worldwide tax system to a territorial tax system, the TCJA further levels the playing field for American businesses and allows them to repatriate earnings back to the United States without incurring high tax penalties.
- The Trump Administration has also begun an aggressive effort to regulatory burdens that hinder U.S. businesses. The Administration's regulatory policy has resulted in the repeal of twenty-two regulations for every new regulation issued and over \$8.1 billion in net present value regulatory cost savings in FY 2017.

### **3. NEGOTIATING BETTER TRADE DEALS**

- President Trump is fulfilling his promise to renegotiate the terms of the North American Free Trade Agreement (NAFTA) to get a better deal for American workers and to improve the U.S. trade balance.
  - The Administration's primary goals are to update NAFTA with modern provisions representing a 21st-century, high-standard agreement and to rebalance NAFTA for fair, reciprocal trade.
  - The Administration's proposals include correcting policies that have encouraged outsourcing and ensuring strong, enforceable provisions on labor and the environment that will help level the playing field for American workers.
- President Trump directed USTR to address outstanding problems to seek fairer, more reciprocal trade with Korea under the US-Korea Free Trade Agreement (KORUS).
  - To improve U.S. export opportunities and facilitate more balanced, two-way trade, the Administration is seeking a resolution of outstanding implementation issues and a rebalancing of commitments on tariffs for a reciprocal and mutually advantageous agreement.
  - The Administration's objectives include eliminating non-tariff barriers to exports of U.S.-made motor vehicles and motor vehicle parts.
- The Trump Administration intends to reach other agreements designed to promote fair, balanced trade and support American jobs and prosperity. Efforts underway include the US-UK Trade and Investment Working Group and preparing for potential bilateral negotiations in the Indo-Pacific and African regions.

#### 4. AGGRESSIVELY ENFORCING U.S. TRADE LAWS

- The Trump Administration understands that there are no successful trade agreements without enforcement. It will continue to use U.S. trade laws and international enforcement mechanisms to ensure that other countries treat America fairly and play by the rules of existing international trade agreements.
- President Trump is fulfilling his campaign promises to use every trade remedy tool to address harmful trade practices, including Sections 301 and 201 of the Trade Act of 1974:
  - 301: In August 2017, the Administration self-initiated an investigation of China under Section 301.
    - The investigation is determining whether the acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and burden or restrict U.S. commerce.
    - If this finding is made, the Administration will determine every appropriate response to protect American innovation, workers and businesses.
  - 201: In late 2017 and early 2018, the Administration considered the findings of Section 201 cases brought by U.S. solar and washing machine industries before the U.S. International Trade Commission (ITC).
    - Based on the ITC's findings that import surges are a substantial cause of serious injury to these domestic industries, the President took decisive action to impose temporary global safeguard tariffs.
    - The first Section 201 action in 16 years, this decision fulfills yet another of President Trump's campaign promises to use Section 201 to remedy trade disputes and get a fair deal for the American people.
  - 232: In early 2017, the Administration initiated Section 232 investigations into whether imports of steel and aluminum threaten to impair the National Security.
    - Those investigations found that the quantity of steel and aluminum imports and the circumstance of global excess capacity threaten to impair the national security.
    - The President is now considering proposals, including quotas and tariffs, in order to adjust imports to a level that does not threaten to impair the national security.
  - Antidumping and Countervailing Duty Investigations:
    - In the first year of the Administration, the Administration initiated 84 antidumping and countervailing duty investigations - a 59% increase from the last

year of the previous administration.

- In November, the Department of Commerce self-initiated antidumping duty and countervailing duty investigations of imports of common alloy aluminum sheet from the People's Republic of China. These are the first self-initiations in over a quarter century.
- To respond to unfair trade practices, the Administration is defending U.S. rights and trade remedy laws before the World Trade Organization and under our trade agreements.
  - The United States, along with other like-minded countries, is vigorously defending its position before the WTO that China is not a market economy and does not have the right to engage in government interference and intervention in market mechanisms, distorting market outcomes and undermining WTO rules, without consequence.
  - The United States has moved forward with a number of dispute settlement matters where the United States is challenging the measures of other WTO Members that are denying the United States the benefits it was promised under the WTO Agreement. The United States is also vigorously defending challenges to U.S. measures.
    - These include victories for the United States in disputes related to import licensing regimes in Indonesia, U.S. agricultural product bans in India, and the long-standing aircraft subsidies dispute by the European Union.

## **5. REFORMING THE WORLD TRADE ORGANIZATION**

- The WTO is an important institution, and the United States has a strong record of building coalitions of like-minded Members to use the WTO committee system as vital tool to achieve market-oriented results.
- The United States has been raising its concerns over the past two decades that the WTO is not operating as the contracting parties envisioned and consequently, undermining our country's ability to act in its national interest.
- The United States stands ready to work with WTO Members to address our concerns, including a dispute settlement system that has appropriated to itself powers that the WTO Members never intended to give it, the WTO's inability to reach agreements needed in a modern global economy, and issues related to development.
- The United States believes that the WTO's highest value should be as a forum for trade negotiations to achieve results that increase trade and the wealth of citizens around the globe. Currently, the United States is working with other WTO Members on agriculture, fisheries subsidies, and e-commerce, among other issues and opportunities, to achieve this goal.

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