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## My views on the proposed Transpacific Partnership trade agreement (TPP)

The TPP covers 12 nations whose aggregate economies constitute 40% of the entire world's economy. This would be, by far, our largest trade deal in history, and few issues have galvanized the emotions of advocates on both sides.

Given the attention and reactions focused on the TPP, I think it is fair to say that this is the second-most important decision I have made in Congress. Only the decision on whether to send American troops in to combat in Syria has been more difficult.

*And that long, difficult journey has taught me some lessons.*

In addition to figuring out what I really believe on TPP, I've learned:

1. **Fanatical approaches can do more harm than good.** You would not believe the number of people who tried to convince me to vote with them by threats or insults. A word of advice to anyone trying to persuade public officials: they are, in fact, just people. Like all of us, they don't take well to bullying or ultimatums.
2. **Our politics is addicted to exaggeration.** Some people argue with a straight face that TPP will return us to growth we haven't seen since the Internet bubble. Some say it will trigger a worldwide depression. Too many people seem to think that the person who makes the boldest prediction wins the debate. That's not how to make a rational decision, especially one this important.

Like all important issues, when I first began making my decision on TPP, I approached it in a particular way:

1. **Understand the arguments on both sides, and;**

## 2. Identify our priorities.

*Understanding the arguments on both sides:*

Generally speaking, opponents of TPP are concerned that it will cause American jobs to be outsourced to other lower-cost countries. They believe that previous trade agreements, like the North American Free Trade Agreement of the 1990s, did the same thing.

Advocates for TPP argue that it will, on balance, create more and better paying jobs. They also believe TPP will enable us to strengthen our ties with other nations in the Pacific and in so doing, hold China's increasing influence in check.

*Identifying our priorities:*

I arrived in Congress believing there are substantial benefits to trade. I still do. It is self-evident that robust trade reduces the risk of armed conflict. Countries that have an active trading relationship don't keep shooting at one another. Who couldn't use a little more peace in the world?

And I also believed trade helps the economy overall. After all, freer trade, viewed one way, is simply a market-based economy on a global scale. I believe in a market-based economy and the considerable benefits that flow from it. It is more efficient and rewards innovation. If another nation can build a better mouse trap, we all gain in the long run.

At the same time, I had real concerns about the impact of trade on parts of the U.S. economy. Outsourcing worries me.

I had serious questions:

*Would the agreement prevent a production drain to other countries that have low labor standards? Who can compete with low-cost manufacturing facilities with low/no safety standards or poverty wages and child workers? Why would we even try?*

*Would the agreement prevent a production drain to other countries that have low environmental standards? Who can compete with low-cost manufacturing facilities that spew anything they want into the atmosphere or nearby bodies of water?*

*Would the agreement protect the creative works of our engineers and artists and not allow their work to be stolen and sold without reimbursement? One of America's greatest strength is its imaginative muscle.*

*Would the agreement create a dispute resolution mechanism (both for investors and others) that balanced fairness with an airtight protection of our own sovereignty and ability to fashion our future?*

I read these sections of the agreement thoroughly. I asked experts. I listened to both sides. I had countless briefings. I've concluded that President Obama and his administration negotiated much better language here compared to previous trade agreements, much better, especially on intellectual property concerns. But they are just words on a page.

## **The question remains: would they be enforced?**

The truth is, we don't know. Our enforcement of existing trade deals makes it look unlikely. Just recently, I saw the good news that Boeing had won another victory in its case at the World Trade Organization against illegal subsidies for Airbus. That is good news, but *they're 12 years into the process and there are still more appeals to come!* A little company could never afford to stay in business long enough to win, and many of the tools to help them survive long enough to pursue enforcement have been struck down. There are other places to appeal than the World Trade Organization, but the U.S. has only used them four times because they have their own drawbacks. *Would the process under TPP be better?* At this early stage, it's a wild guess.

The other argument frequently made in favor of TPP is geopolitical, i.e. we must do this to preempt China or risk relinquishing our influence in the region and the world. This is an important matter. Those who minimize it are not being realistic. China has large and growing trade relationships with many of the TPP countries and is part of a different regional trade agreement currently under negotiation. China has passed our ally Japan as the largest economy in the region, and China spreads that money around Asia building factories, railroads and bridges. They are winning influence around the region, and we are beginning to see them wield that influence and interfere with efforts by independent regional institutions such as the Association of South East Asian Nations (ASEAN) as they address issues like Chinese territorial claims in the South China Sea. It's a real problem, and TPP presents

the prospect of a real solution. By increasing trade between the U.S. and TPP countries, we can strengthen our alliances and partnerships in East and Southeast Asia and counterbalance China. I believe in the need for a strong U.S. role in Asia, and I believe in the role trade can and does play in bringing countries closer together.

**So I began the decision-making process with genuinely conflicting feelings. And then it really became difficult.**

TPP itself is 5,000 pages, plus appendices. It is mind-boggling complex and written in a weird jargon that often requires experts to translate. Figuring out what it truly means is hard. Measuring the value of the good stuff versus the bad stuff is 100 times harder.

**Of course, the world didn't stand still all the while I was reading this document and listening to arguments on both sides. Other stuff happened that helped me make a decision.**

First was the announcement that the workers laid off after the closure of the Olympia Panel Products (OPP) mill in Shelton would be eligible for benefits under the Trade Adjustment Assistance program. As we have after past mill closures, Members of Congress and Senators from Washington banded together to lobby the U.S. Department of Labor for TAA certification. I was proud to have succeeded for my district, and hopeful for the people affected.

TAA is a lifeline for people whose lives have been upended and disrupted, whose jobs have evaporated because trade agreements and international markets are driving their employers into decline. I saw the impact of TAA in Shelton when the Simpson plant, literally next door to the OPP plant, closed last year. That year, I attended a job fair at the beautiful new transit center and approached a table of seven men who were poring over multiple forms and brochures. Turns out, they were planning on what to do with their TAA help. Six of the seven expressed genuine excitement about their futures. I left deeply moved and inspired on that day more than a year ago.

**But this summer, when I got the TAA announcement for the OPP mill, I dove deeper into the facts on TAA and the results were depressing.**

It turns out, that TAA is pathetically inadequate in the face of the need. Not every mill or plant or shop closure gets approved for TAA, and the cash

benefits are small. There was a study this year on losses due to trade in the 2000s. It found that in the typical town with a lot of businesses that compete with China, the average resident saw their wages decline by \$500 more than the typical resident of a town with few businesses that compete with China. And of that \$500 in lost wages, TAA on average replaced about \$2.

**TAA is the prime federal program intended to help workers who lose their jobs because of foreign competition, but it's completely inadequate to the task.**

TAA is supposed to shore up workers and their families while they find new work, but if TAA only replaces \$2 of every \$500 of lost wages, the shops and restaurants and community around the closed factory will start to crumble as soon as the factory does. And the town spirals downward.

This phenomenon spread across much of the United States in the 2000s. From 1965 to 2000, the U.S. had held steady at around 18 million manufacturing jobs, but from 2001 to 2007, the U.S. lost almost 3 million of those jobs, and almost 2.5 million of those laid off never found work again. The number of factories idled and closed, especially in the Midwest and the Carolinas, was tremendous, and thousands of towns were hollowed out and communities left to wither. New research shows that the cause of this manufacturing job collapse was trade—not even a free trade agreement, but just normalizing trade relations with China.

**These job losses may be minor in the larger picture of an economy that employs 145 million people, but they're massive on the smaller scale of individual workers, their families, and the towns.**

The other thing that happened recently to impact my decision was that I read a book called *Hillbilly Elegy*. It is a profoundly moving memoir that tells this tale, the tale of the hollowing of America's industrial heartland. It was written by JD Vance, who was raised in southern Ohio and a member of a family that lived in Middletown, Ohio, as it was being gutted by the flight of manufacturing and mining jobs overseas. The breadth and depth of devastation inflicted upon people and families and neighborhoods is heartbreaking and cannot be exaggerated.

**Real people. Real families. Very real broken homes.**

It's not just trade that has caused this though. The Appalachian towns in *Hillbilly Elegy* have been in economic decline for decades due to a variety of factors. Publishing of books, music and newspapers has been completely upended by the Internet. Great American companies like Kodak have seen their products completely disappear in a generation. Even a perfect TPP does nothing to deal with effects of the replacement of jobs by robotics and automation. These forces are not going to abate. If anything, they will only gain momentum. We'll see more pink slips across the country, and where these industries are concentrated, we'll see more towns hollowed out.

### **When I think about these families, I am reminded of my father.**

Dad drove a truck his entire working career save time out to fight World War II. *(Mostly, he guarded Italian prisoners of war, a fact he never let my first generation Italian-American wife forget).* He made a good blue collar wage thanks to the Teamsters. Mom worked as well.

*Together, they bought a home, raised four children, sent any of them to college who wanted to go, had paid vacations, adequate health care, a wooden boat in the garage, and a secure retirement.*

And I wonder what will happen to the 1.8 million truck drivers we have now after self-driving vehicle software and technology is perfected in the decades ahead. *Will there be a job for them? Do we not have some collective responsibility to help them transition to this brave new world? Or do we consign them to a permanent and significant reduction in standard of living?*

And all this talking and thinking finally snapped my principles into a new perspective.

*I like markets because they make people richer and happier.*

*I focus on environmental and labor safeguards in trade agreements because they make people healthier and safer.*

*I believe in my policy priorities because I care about people, and analyzing TPP should just be a question of how it affects people.*

And so I have come to a conclusion:

## **I will not vote in support of TPP until I have more satisfactory answers to what have become my two paramount concerns.**

First, to win my support, TPP or any trade agreement will also have to contain not just appropriate standards but the means and the will to ensure their enforcement. I will know that we have reached this point when U.S. success in challenging foreign trade practices results in industries returning to American towns. There are some early signs that the Obama Administration's aggressiveness is starting to produce these results, but it's too soon to say for sure. We need to see more. Frankly, the burden is on the trade negotiators to come up with a solution.

Second, I think it is time we took some of the gains from trade, globalization and technological advancement and used them to make investments both to grow our economy faster and construct a material effort to meaningfully help the workers whose jobs and families are being sacrificed and largely ignored.

*Until my two concerns are met, I will not vote for TPP either in the lame duck session or later.*

In fact, I think it is time to hit both the pause and the reset buttons on trade agreements and to truly rethink how we approach this.

Trade continues to be an important part of the U.S. economy, and trade will continue to aid in the success and growth of Washington state. But we must ensure these agreements are fair, and that the success and growth doesn't leave as much corollary damage in its wake.

This will be difficult but unlike some who oppose free trade agreements under any circumstance, I am confident that it can be done and moreover, that it should be done.

