Congress of the United States House of Representatives

Washington, DC 20515

January 18, 2017

President-Elect Donald J. Trump Trump Tower 725 Fifth Avenue New York, New York 10022

Dear President-Elect Trump:

We are writing to you regarding the critical issue of trade enforcement, an issue that you raised repeatedly during your campaign. We agree that this issue demands much greater attention not only to promote domestic production and employment, but also to increase confidence among the public that the agreements our government signs will, in fact, be enforced. For far too long, trade enforcement has played a secondary role in terms of trade policy as administration after administration has placed a higher priority on negotiating new agreements, rather than ensuring that each agreement advances U.S. economic interests and that we can harvest the gains from those agreements.

In December, the Office of the United States Trade Representative (USTR) released its 2016 Report on the Implementation and Enforcement of Russia's World Trade Organization (WTO) Commitments. While the report did highlight that Russia complied with many of its promises regarding reducing tariffs, the sum of its actions has been extremely detrimental to U.S. economic interests. In its report, the USTR said:

"On the whole, however, Russia's actions continued to depart from core tenets of the WTO -- liberal trade, transparency, predictability -- in favor of inward-looking, importsubstitution economic policies."

While trade with China has rightfully been the focus of your public comments, our trade relationship with Russia also demands attention. Today, our exports to Russia are roughly half of what they were in 2012, the year that Russia became a member of the WTO. Sanctions have certainly altered the balance of trade, but the trade deficit this year with Russia will cost more than 40,000 American workers their jobs.

We urge you to direct your incoming personnel to focus on eliminating Russian predatory and protectionist policies. At this critical time, every job is worth fighting for. The following are some of the most important Russian unfair trade practices that must be addressed:

Russia is blocking more than half of U.S. agricultural products through retaliatory import bans. The Russian Federation imposed a ban on U.S. poultry, fruit, vegetables, and dairy

products in 2014 as retaliation against the West after Western nations condemned Russia for its invasion of Ukraine. Before the ban, Russia imported about \$1.3 billion in food and agriculture products from the United States, including hundreds of millions of dollars of U.S. poultry. The ban applies to about 55% of these products (ranging from poultry to peanuts). In July, President Putin extended the ban until the end of 2017. WTO rules prohibit countries from restricting imports of agricultural products without a scientific basis.

Russia maintains import substitution policies to discourage imports of U.S. manufactured goods, including autos, heavy machinery, and metal products. In August 2015, Russia established a Governmental Commission on Import Substitution to implement state policy in the field of import substitution. The key objective of the Commission is to promote domestic production of certain commodity groups and product types. These policies prevent U.S. companies from competing for business in Russia and otherwise disadvantage American workers. For example, Russia recently barred State Owned Enterprises with 50% or more government ownership from purchasing imported automobiles, heavy machinery, and metal products.

Russia is home to some of the worst violators of intellectual property rights, and is decreasing enforcement of IPR even as a wide range counterfeit goods continue to be manufactured, transshipped and sold in Russia – everything from seeds to electronics, to information technology, auto parts, and consumer goods. Russia is among the world's most serious violators of intellectual property protections, and is one of just eleven countries identified by the United States on the "Priority Watch List" for failing to ensure adequate protection of U.S. intellectual property rights. It has remained in that category for years, and overall enforcement in Russia has decreased not increased during that time. U.S. companies have reported that counterfeit goods continue to be manufactured, transshipped and sold in Russia, including counterfeit seeds, agricultural chemicals, electronics, information technology, auto parts, consumer goods, machinery, and other products.

Russia lavishes subsidies on a range of industries, including the autos and titanium industries, which keep American workers from competing on a level playing field. The Russian Federation has provided billions in subsidies to its failing auto industry, and continues to provide support to its titanium industry. The U.S. titanium industry employs more than 4,000 workers around the United States and is facing increasing pressure from imports, which increased 21 percent from 2013 through 2015.

Trade is an area where strong, bipartisan cooperation can yield enormous benefits to America's farmers, workers and businesses. We look forward to working with you on these critical issues.

Sincerely,

Rosa L. DeLauro

Member of Congress

Janice D. Schakowsky

Member of Congress

Lloyd Doggett Marcy Kaptur Member of Congress Member of Congress Jose E. Serrano James P. McGovern Member of Congress Member of Congress Debbie Dingell Barbara Lee Member of Congress Member of Congress Louise M. Slaughter David N. Cicilline Member of Congress Member of Congress Mark Pocan Paul Tonko Member of Congress Member of Congress Peter A. DeFazio Villiam R. Keating Member of Congress Member of Congress

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