



Customs & Trade WORKING GROUP MEETING



Thursday, January 14, 2021





FOOTWEAR DISTRIBUTORS AND RETAILERS OF AMERICA

Thomas Crockett
VP Government Affairs

Matt Priest
President & CEO

Congressional Preview 2021

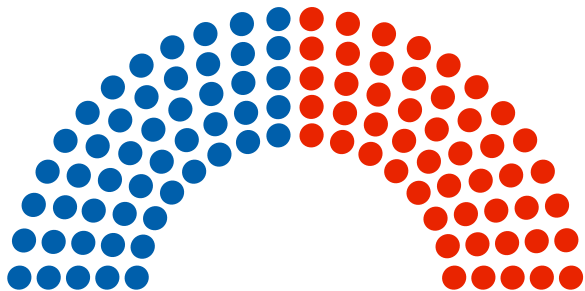


What We Will Cover Today

- **The Impact of a 50/50 Senate**
- **Key Players in Congress**
- **The Biden Administration Trade Officials**
- **What to Expect from Biden on Trade**
- **Important Footwear Trade Updates**

The Impact of a 50/50 Senate

117th SENATE PARTISAN MAKEUP



51 votes needed for majority

Vice President Harris (D) will break tie votes

117th SENATE LEADERS



Majority Leader
Chuck Schumer
(D-NY)



Minority Leader
Mitch McConnell
(D-KY)

PREVIOUS 50/50 SPLITS IN SENATE HISTORY

- A 50/50 split has only happened three times: 1881, 1953, and 2001
- The last split ended in May 2001 when Sen. Jim Jeffords (VT) switched parties to caucus with the Democrats, giving them an outright majority
- In 2001, during the short period in which the Senate was split, leaders negotiated a power-sharing agreement
- Under the 2001 agreement, Republicans held committee chairs, but committee composition and resources were split evenly
- When committee votes tied, Republicans could still bring bills or nomination to the full Senate for consideration

IMPACTS ON THE 117th SENATE

- Biden will likely still be able to quickly confirm executive nominations
- Democrats are unlikely to revoke the filibuster, so will be limited in options
- Policy pathways Democrats can use with a simple majority:
 - Congressional Review Act to overturn late Trump-era regulations
 - Budget reconciliation, which is limited in scope
- Senators at the edge of their caucus will hold outsized influence:
 - Sinema (D-AZ), Manchin (D-WV), Murkowski (R-AK), Collins (R-ME), and Romney (R-UT)

Leadership in Congress



Chuck Schumer (NY)

Senate Democratic Leader

- Current Senate Minority Leader
- Head representative of the Democratic party on the Senate floor



Mitch McConnell (KY)

Republican Leader

- Current Senate Majority Leader
- Head representative of the Republican Party on the Senate floor



Dick Durbin (IL)

Democratic Minority Whip

- Current Senate Minority Whip
- Assistant leader, responsible for counting and securing party votes



John Thune (SD)

Republican Whip

- Current Senate Majority Whip
- Assistant leader, responsible for counting and securing party votes



Patty Murray (WA)

Assistant Democratic Leader

- Current Assistant Democratic Leader
- Assists Democratic leadership in the management of their agenda and strategy



John Barrasso (WY)

Republican Conference Chair

- Current Republican Conference Chair
- Responsible for intraparty committee assignments and leadership elections

Leadership in Congress



Nancy Pelosi (CA-25)

Speaker of the House

- Current Speaker of the House
- The presiding officer of the House of Representatives



Kevin McCarthy (CA-23)

Minority Leader

- Current House Minority Leader
- Represents the Republican Party on the House floor



Steny Hoyer (MD-05)

Majority Leader

- Current House Majority Leader
- Represents Democrats and their interests on the House Floor



Steve Scalise (LA-01)

Minority Whip

- Current House Minority Whip
- Assists Republican leadership in managing the party's legislative program



James Clyburn (SC-06)

Majority Whip

- Current Majority Whip
- Assists Democratic leadership in the management of their legislative programs



Liz Cheney (WY-01)

Republican Conference Chair

- Current Republican Conference Chair
- Leads organization efforts of all Republican Party members in the House



Katherine Clark (MA-05)

Assistant Speaker of the House

- Current Vice-Chair of the House Democratic Caucus
- Assists the Speaker of the House and the Majority Leader

Key Players for U.S. Trade Policy

Congress Still Has Major Role on Trade Policy

The “Big Four” Committee Chairman on Trade



Ron Wyden (D-OR)
Chair
Senate Finance



Mike Crapo (R-ID)
Ranking Member
Senate Finance



Richard Neal (D-MA)
Chair
House Ways & Means



Kevin Brady (R-TX)
Ranking Member
House Ways & Means

Key Players for U.S. Trade Policy in the Biden Administration



Gina Raimondo
Commerce Secretary
(nominee)



Janet Yellen
Treasury Secretary
(nominee)



Katherine Tai
U.S. Trade
Representative
(nominee)



Antony Blinken
Secretary of State
(nominee)



Linda Thomas-Greenfield
U.S. Ambassador to
the U.N. (nominee)

Katherine Tai as USTR



**CHIEF TRADE COUNSEL,
HOUSE WAYS AND
MEANS COMMITTEE
2017-present**

**OFFICE OF THE GENERAL
COUNSEL, USTR
2007-2014**

**HOMETOWN
Washington, DC**

**EDUCATION
Yale U., BA, 1996
Harvard Law School, JD,
2001**

**FAMILY
Married**

BIOGRAPHY

Legal expert on trade, particularly with China, who helped craft aspects of the USMCA and TPP through her service on the Democratic side of the House Ways and Means Committee's Trade Subcommittee

- Began public service in 2007, joining the US Trade Representative's (USTR) office as associate general counsel; early work with the USTR included analysis on China's economic recovery from the 2008 crisis
- Worked on the USTR analysis of trade deals with Oman and Peru while in the general counsel's office, but was later promoted to be Chief Counsel for China Enforcement
- Shifted to the Democratic staff on the Ways and Means committee in 2014; was initially brought on to work on international labor issues, specifically within US-Vietnam labor agreements under the Trans-Pacific Partnership (TPP)
- Worked under Jason Kearns before assuming the role of chief counsel for Democrats on Ways and Means, working closely with Trade Subcommittee Chairman Rep. Earl Blumenauer (D-OR3)
- In the House, often dealt with representatives' district-based intellectual property (IP) disputes through section 337, the US International Trade Commission's regulation on unfair import rules
- Collaborated on the US-Mexico-Canada Agreement (USMCA), working most prominently on the labor, dispute settlement, and energy provisions of the Democratic revisions to the bill, and joined the congressional delegation to discuss the deal with Mexican President Andrés Manuel López Obrador; worked closely with Rep. Don Beyer (D-VA8) on the negotiation on labor enforcement with Mexican leaders
- Recent work in the House has geared towards the bipartisan push to bar imports made from forced labor in China
- Anticipated to advocate for punitive tariffs for US companies that offshore, more investments in domestic manufacturing to prevent other companies from leaving, and barring foreign (particularly Chinese) companies from owning US firms like TikTok

Biden's Trade Policy Priorities

Biden will likely return U.S. policy to a pre-Trump era of multilateralism with emphases on environmental protection and labor rights; it is unclear how aggressive he will be in combating China.

Addressing China's trade leadership

- Unlikely to remove Trump-era tariffs on Chinese-made goods
- Will likely coordinate with other nations to counter China
- Potential re-engagement with CTTIP (formerly TPP) to counter China
- Numerous issues could complicate China relations: Uyghur forced labor, Hong Kong, South China Sea, Taiwan

Improve trade relationships with historic American allies

- Eliminate 'Trump-era' tariffs on EU, Canada, other allies
- Improve trade relations with allies by gradually deteriorating Trump-era "national security" tariffs on imports

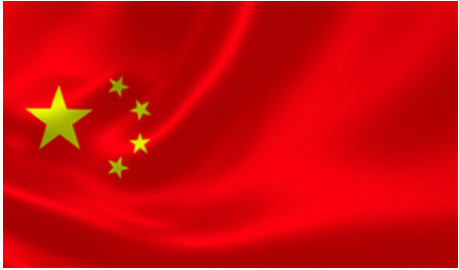
Re-engage in multilateral trade policymaking

- Remove Trump-imposed U.S. control on WTO Appellate Body appointments
- Re-engage with existing international legal framework for trade dispute settlement

Support domestic manufacturing via buy-American proposals and investments

- Proposed an over \$700 billion "Buy American - Make in America" plan to boost investment in US firms and domestic manufacturing
- Impose tariffs or revoke subsidies on firms that move jobs overseas

Trade Update 1: Key issues expected to drive US policy on China under Biden



Trade and tariffs

- Biden has called Trump's tariffs "erratic" and "self-defeating" and would instead use existing trade laws and multilateral approaches
- Biden has criticized the January 2020 phase one trade deal with China

Human rights

- The Biden campaign called China's Xinjiang actions a "genocide," which would be among strongest condemnations if the administration uses the same language
- Supports sanctions against companies and persons involved in the detention of Muslims in Xinjiang

Technology

- Bipartisan Congressional concerns over China's growing technological strength
- Efforts to exclude Huawei from 5G networks are likely to continue, according to 5G security provisions in 2020 Democratic platform

Climate change

- Developing climate solutions and expanding the use of renewables are expected areas of collaboration between the Biden administration and China

South China Sea

- The Obama and Trump administrations both pursued policies to push against China's broad unproven claims in the South China Sea
- The Democratic platform strengthened its language on China's presence in the region, and Biden's policy is unlikely to reverse Trump action in the region

Taiwan

- Biden favors US support for Taiwan and there is no indication that he will rollback on Trump's policies of strengthening US-Taiwan relations
- Democratic Party removed mentions of a "One China" policy from its platform



Trade Update 2: What about Vietnam?



Trade Update 3: Multiple Footwear Items Pending

Miscellaneous Tariff Bill (MTB)

Generalized System of Preferences (GSP)

Uyghur Forced Labor Prevention Act

Sustainable Footwear Initiative

Intellectual Property (IP) Legislation

Questions?