

U.S. Sens. Rubio and Baldwin: Introduce legislation to defend American workers against China's cheating

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WASHINGTON, D.C. – U.S. Senators Marco Rubio (R-FL) and Tammy Baldwin (D-WI) unveiled the Fair Trade with China Enforcement Act to safeguard American workers and businesses from China's economic cheating and unfair trade practices.

"As China undertakes a strategic effort to supplant and undermine America, we must protect our country by correcting an economic relationship that has become increasingly unbalanced," Senator Rubio said. "Our bipartisan bill will do just that by targeting China's tools of economic aggression to guard the American people against its nefarious influence on national and economic security. How America responds to the growing threats posed by China is the single most important geopolitical issue of our time, and will define the 21st century."

"In 2000, I voted against lowering tariffs on China and letting them into the WTO. China has refused to play by the international trade rules it agreed to and when China cheats, our Wisconsin workers and manufacturers lose. It's time to hold bad actors like China accountable when they harm our economic interests and use unfair trade actions that disadvantage American workers," said Senator Baldwin.

“This bipartisan legislation will take a stand against China’s economic aggression and address trade disparities that undermine the ability of American businesses to compete on a level playing field.”

Since China joined the WTO in 2001, the U.S. trade deficit with China has more than quadrupled. Between 2001 and 2008, Chinese competition cost the U.S. 2.4 million manufacturing jobs and has driven down wages for almost all production workers in the private-sector workforce. This year, the United States Trade Representative found that Chinese companies, often sponsored by the Chinese government, steal up to \$600 billion annually in valuable intellectual property from U.S. companies.

The Fair Trade with China Enforcement Act attempts to reverse these trends by making it harder for China to devalue its currency—making American exports more competitive. This legislation would protect our future prosperity by banning the sale of sensitive national security technology and intellectual property to China. Finally, the bill would prevent Chinese firms from taking over American companies in sensitive advanced manufacturing industries.

Specifically, the Fair Trade with China Enforcement Act would:

- Prohibit the sale of national security sensitive technology and intellectual property to China;
- Update an income tax treaty signed in the 1980s and tax China on their “investment” in the U.S., including their holdings of the national debt;
- Prepare duties on, and impose Chinese investor shareholding caps on U.S. companies producing, goods targeted by the Made in China 2025 plan; and
- Prohibit the federal government, or subsidiaries/contractors, from purchasing telecommunications equipment or services from Huawei and ZTE.