

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING

(202) 225-3625

Washington, D.C 20515-0348

<http://waysandmeans.house.gov>

December 9, 2020

JOHN LEWIS, GEORGIA
LLOYD DOGGETT, TEXAS
MIKE THOMPSON, CALIFORNIA
JOHN B. LARSON, CONNECTICUT
EARL BLUMENAUER, OREGON
RON KIND, WISCONSIN
BILL PASCRELL JR., NEW JERSEY
DANNY K. DAVIS, ILLINOIS
LINDA T. SANCHEZ, CALIFORNIA
BRIAN HIGGINS, NEW YORK
TERRI A. SEWELL, ALABAMA
SUZAN DELBENE, WASHINGTON
JUDY CHU, CALIFORNIA
GWEN MOORE, WISCONSIN
DAN KILDEE, MICHIGAN
BRENDAN BOYLE, PENNSYLVANIA
DON BEYER, VIRGINIA
DWIGHT EVANS, PENNSYLVANIA
BRAD SCHNEIDER, ILLINOIS
TOM SUOZZI, NEW YORK
JIMMY PANETTA, CALIFORNIA
STEPHANIE MURPHY, FLORIDA
JIMMY GOMEZ, CALIFORNIA
STEVEN HORSFORD, NEVADA

DEVIN NUNES, CALIFORNIA
VERN BUCHANAN, FLORIDA
ADRIAN SMITH, NEBRASKA
KENNY MARCHANT, TEXAS
TOM REED, NEW YORK
MIKE KELLY, PENNSYLVANIA
GEORGE HOLDING, NORTH CAROLINA
JASON SMITH, MISSOURI
TOM RICE, SOUTH CAROLINA
DAVID SCHWEIKERT, ARIZONA
JACKIE WALORSKI, INDIANA
DARIN LAHOOD, ILLINOIS
BRAD R. WENSTRUP, OHIO
JODEY ARRINGTON, TEXAS
DREW FERGUSON, GEORGIA
RON ESTES, KANSAS

GARY ANDRES,
MINORITY STAFF DIRECTOR

BRANDON CASEY,
MAJORITY STAFF DIRECTOR

The Honorable Robert Lighthizer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

We write to share once again our concerns regarding the Administration's failure to consult with Congress and the obscure motivation regarding its eleventh-hour trade negotiations with Ecuador.

On November 19, USTR issued a statement outlining the United States and Ecuador's intention to conclude a negotiation regarding certain trade rules and transparency before the end of this year.¹ These negotiations appear to have only recently been initiated, yet you concluded an agreement with your Ecuadorian counterparts yesterday, December 8. Thus, nearly the whole negotiation, if not its entirety, was conducted after the U.S. presidential election occurred and in less than two months. We support active engagement with Ecuador, but the manner, speed, and timing of this approach is deeply troubling.

Ecuador is an important trading partner of the United States and is a key economic, diplomatic, and strategic actor in Latin America. Proactive work with Ecuador is important, but such work must be deliberative, thoughtful, and take into account the wide range of bilateral issues between the countries and the priorities of the U.S. government.

For instance, Ecuador has a long history of deforestation and engaging in harmful fishing practices, including illegal, unreported or unregulated (IUU) fishing activities. Ecuador's alarming deforestation rate predominantly caused by agroindustrial monocultures and logging is of great concern. Further, the National Oceanic and Atmospheric Administration (NOAA) has consistently highlighted Ecuador's failure to meet its multilateral environment agreement commitments by not conducting sufficient investigations and effectively responding to repeat

¹ <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2020/november/joint-statement-united-states-ecuador-trade-and-investment-council>.

offender fishing vessels.² While foreign fishing vessels, particularly Chinese flagged vessels, play a role in the IUU fishing activity, the Ecuadorian industry also employs deeply concerning practices itself.³

Trade terms with Ecuador also raise concerns regarding the protection of labor rights. The Correa Administration had rolled back collective bargaining protections for the public sector and passed labor reforms that limit freedom of association rights more generally. The Moreno Administration has not changed these policies and itself has passed legislation that allows employers to unilaterally opt out of their contractual obligations to workers, cut salaries, and reduce work hours. Ecuador has not effectively enforced labor rights to freedom of association and collective bargaining despite ongoing employer violations, and unionization in many public sector jobs is prohibited. Furthermore, Ecuador has not effectively enforced laws prohibiting forced labor and child labor, particularly in the informal sector. Though Ecuador has taken steps to begin to reduce child labor in the formal sector, child labor persists in bananas, bricks, flowers and gold, as well as forced and child labor in certain agricultural sectors.⁴ Without adequate resources and consistent enforcement, these labor conditions will continue to undermine global labor standards.

The negotiations with Ecuador presented a clear opportunity, and leverage, to address these longstanding issues in some form. A negotiation cannot simply neglect these critically important issues.

A negotiation with Ecuador also presents numerous other questions and challenges, including Ecuador's unique relationship with China. Ecuador currently owes \$5 billion in debt and just recently was forced to delay a \$474 million debt payment to China.⁵ China has funded infrastructure projects of questionable value or utility and China now maintains considerable sway over Ecuador's oil exports.⁶ A negotiation with Ecuador must also take into account Ecuador's precarious position in relation to China and support developing alternative economic partners for Ecuador.

Finally, negotiations with Ecuador must also take into consideration the treatment of basic human rights in Ecuador. In that regard, we note our concern regarding the Ecuadorian government's response to protests last year in which security forces used excessive force, arbitrarily detained demonstrators, and led to the loss of human life.⁷ Of note, the austerity measures that led to the protests are linked to Ecuador's inability to make payments on its Chinese debts, which only highlights the need for an effective and deliberative whole-of-government approach to negotiations with Ecuador.

Consultations with Congress would have presented the appropriate forum to grapple with these issues and the ability to work together to develop an effective approach to negotiations

² <https://www.fisheries.noaa.gov/foreign/international-affairs/identification-iuu-fishing-activities>.

³ <https://www.economist.com/the-americas/2020/11/21/ecuador-a-victim-of-illegal-fishing-is-also-a-culprit>.

⁴ <https://dol.gov/agencies/ilab/resources/reports/child-labor/ecuador>

⁵ <https://finance.yahoo.com/news/ecuador-signs-deal-delay-474-191313080.html>.

⁶ [It Doesn't Matter if Ecuador Can Afford This Dam. China Still Gets Paid. - The New York Times \(nytimes.com\)](https://www.nytimes.com/2020/04/06/ecuador-lessons-2019-protests).

⁷ <https://www.hrw.org/news/2020/04/06/ecuador-lessons-2019-protests>.

with Ecuador. Unfortunately, those consultations did not take place until the Administration had already made clear that it was pursuing a particular agreement that appears not to address any of the issues highlighted in this letter. The Administration's failure to adequately consult with Congress is particularly concerning given that the entirety of the negotiations took place after the U.S. presidential election, which raises additional concerns about the process and motivations behind this negotiation.

In our view, the Administration's failure to consult Congress is against its own interests. Lasting and meaningful trade agreements rely on Congressional input and support. We urge the Administration to immediately engage with Congress to develop a negotiating strategy that effectively responds to the key issues in the U.S.-Ecuador relationship.

We look forward to your prompt reply.


Sincerely,



The Honorable Richard E. Neal
Chairman



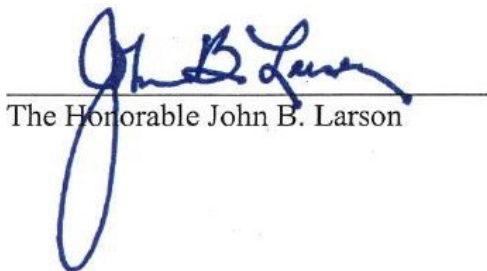
The Honorable Earl Blumenauer
Chairman, Subcommittee on Trade



The Honorable Lloyd Doggett



The Honorable Mike Thompson



The Honorable John B. Larson



The Honorable Ron Kind

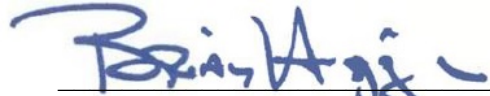


The Honorable Bill Pascrell, Jr.




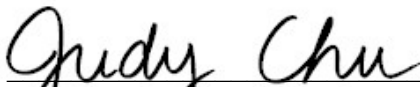
The Honorable Danny K. Davis


The Honorable Linda T. Sanchez

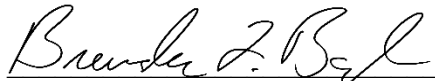

The Honorable Brian Higgins

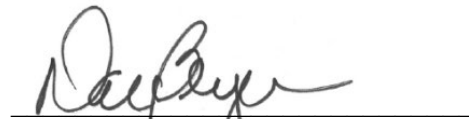

The Honorable Terri A. Sewell


The Honorable Suzan K. DelBene


The Honorable Judy Chu

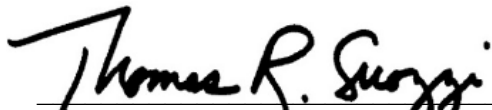

The Honorable Daniel T. Kildee



The Honorable Brendan F. Boyle

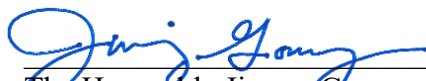

The Honorable Donald S. Beyer Jr.

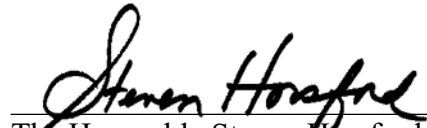

The Honorable Dwight Evans


The Honorable Bradley S. Schneider


The Honorable Thomas R. Suozzi


The Honorable Jimmy Panetta


The Honorable Jimmy Gomez


The Honorable Steven Horsford