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Cover Story:
What's on Tap for Congress regarding Int'l Trade

USTR Testifies Before Congress on a Range of Topics

United States Trade Representative (USTR) Robert Lighthizer testified before the House Ways and Means (HWM) and Senate Finance Committees on June 17. Ambassador Lighthizer covered a range of topics during these oversight hearings, which are held annually. Here is a summary of the main points discussed.

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China Trade - In general, Lighthizer defended the China 301 tariffs as a good mechanism for creating jobs in the U.S. In fact, when responding to a member of the HWM Committee about a company that was denied an exclusion even though there is no domestic U.S. production, Lighthizer responded by noting that the company has had years to find a new supplier outside of China. Similarly, when asked whether exclusions granted for products related to COVID-19 response would be extended, Lighthizer responded that while an extension is possible, any extensions would depend on the severity of the pandemic at the time the exclusions expire. He also emphasized the Administration's goal of incentivizing companies to manufacture these products in the United States. Lighthizer further indicated that extensions of exclusions will expire at the end of 2020, rather than be granted for a 6- or 12-month duration.

When pressed on whether China would fulfill its commitments under the Phase One trade deal, Lighthizer said the Chinese were making a good-faith effort to do so. He was particularly bullish on China's commitments to increase commodity imports, telling the committees that the Chinese are on track to meet their commodity purchase obligations by the end of the year.

Hong Kong - President Trump announced several weeks ago that his administration would take action to revoke Hong Kong's preferential treatment as a separate customs and travel territory apart from the rest of China, which could expose Hong Kong to China 301 tariffs and other U.S. trade actions. When asked about this, Lighthizer said his office is still analyzing the possible ramifications of treating Hong Kong as a separate customs area.

US-Mexico-Canada Agreement (USMCA) - There was a lot of discussion about Mexican labor standards and automobile trade. Lighthizer repeatedly vowed to strongly enforce the USMCA as soon as it takes effect on July 1, and he acknowledged that the U.S. will likely need to use the enforcement tools in the new deal to tackle issues with Mexico on labor, biotechnology, intellectual property rights, and energy.

Section 321 / De Minimis - Lighthizer used his opening statement to reinforce his desire to lower the de minimis amount. While there wasn't a lot of discussion about this issue Continued on page 2


USTR Testifies Before Congress

(Front page article continued)

during the question and answer portion of the hearings, the fact is that the Administration will continue to get a lot of pushback from members of Congress who want to maintain the current $800 de minimis level.

There was one notable back-and-forth on the subject. During the Finance Committee hearing, Sen. John Thune (R-S.D.) expressed interest in pushing other countries to increase their de minimis thresholds, rather than decreasing the U.S. de minimis amount. Lighthizer's answer to this was that the current U.S. de minimis amount has cost more U.S. jobs than it has created, and he said the reason most other countries keep their thresholds so much lower is so that large online retailers don't put small companies out of business. Lighthizer also said that a high number of packages evade scrutiny (the Administration has in the past expressed concern about 321 facilitating the flow of counterfeits), and he encouraged the Committee to study the effects of de minimis in more depth.

WTO Reform - Lighthizer testified that the World Trade Organization (WTO) requires radical reform because the tariff situation is unfair; the appellate body is non-functional; and free trade agreements (FTAs) do not benefit all countries. He reinforced the Trump Administration's frustration with the WTO appellate body in particular, arguing that it has been unfair to the United States and should not be restored (although he did express support for a dispute-settlement process). When asked about the qualities a new Director-General of the WTO should have, he responded that the new Director-General should be someone who is reform-minded and focused on updating the rules so as to keep China in check.

Federal agents seize nearly 20,000 pounds at illegal meat at Ports of LA, Long Beach

By City News Service | news@socalnews.com | PUBLISHED: June 19, 2020

Federal agents seized nearly 20,000 pounds of illegal meat arriving at the Los Angeles-Long Beach port complex from China over the previous two months, officials said Friday, June 19. Officials with U.S. Customs and Border Protection intercepted 19,555 pounds of prohibited pork, chicken, beef and duck products arriving from China — the largest trading partner the U.S. has — at the Ports of LA And Long Beach. Most of the animal products were mixed in boxes of headphones, door locks, kitchenware, LCD tablets, trash bags, swim fins, cell phone covers, plastic cases and household goods, Jaime Ruiz of U.S. Customs and Border Protection said in a statement. The effort was, Ruiz said, "a clear attempt to smuggle the prohibited meats."

CBP agriculture specialists identified, examined and seized 834 total cartons across 12 shipments. The cartons lacked the required U.S. Department of Agriculture entry documentation, Ruiz said.

China is a country affected by African swine fever, classical swine fever, Newcastle disease, foot and mouth disease, highly pathogenic avian influenza and swine vesicular disease, according to the USDA's Animal and Plant Health Inspection Service. "Our close collaboration with our USDA strategic partners has resulted in an increased number of prohibited food products interceptions in a relatively short period of time," said Carlos C. Martel, CBP's director of Field Operations in Los Angeles. "CBP agriculture specialists remain committed and vigilant of foreign animal disease threats."

TRIVIA QUESTIONS

1) The word SUMMER developed from what Proto-Germanic word?
A. Zimmer **B.** Sumaraz **C.** Sama **D.** Bumhot

2) What U.S. President's daughter was born on the 4th of July?
A. Malia Obama **B.** Amy Carter **C.** Chelsea Clinton **D.** Bush Twins

3) In the U.S. which of the following observances does not take place in the summer time?
A. Nat'l Sandwich Month **B.** Nat'l Ice Cream Month **C.** National Barbecue Month

4) Per hospital stats, which summer activity has the least injuries and deaths attributed to it?
A. Volleyball **B.** Swimming in a pool **C.** Fishing **D.** Skinny Dipping

5) Of these "summer-time" smells which one stimulates pleasant memories in human beings?
A. Coconut **B.** Cut Grass **C.** Chlorine **D.** Charred Hamburger

6) Don Henley's song Boys of Summer, that topped the charts twice, was originally released in what year?
A. 2001 **B.** 1998 **C.** 1990 **D.** 1984

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) http://www.eia.gov/petroleum/gasdiesel/

	6/08/20	6/15/20	6/22/20	Change from week ago	Change from year ago
U.S. National Average	$2.399	$2.394	$2.386	↑ 0.022	↓ - 0.618

Diesel Rises 2.2¢ to $2.425 as Demand Begins to Increase

Transport Topics June 22, 2020

The national average retail price of diesel rose for the third consecutive week, 2.2 cents to $2.425 a gallon, according to data the Energy Information Administration released June 22. Even with the increase from $2.403, the price of trucking's primary fuel is 61.8 cents a gallon less than it was a year ago. The price increased in all 10 regions of the country surveyed by EIA. Gasoline continued its climb too, up 3.1 cents to $2.129.

The most expensive diesel in the nation remains in California, where the average price rose 1.9 cents a gallon to $3.237, but that still is 73.1 cents cheaper than at this time in 2019. California's increase was about in the middle of all price hikes. The least expensive fuel remains along the Gulf Coast, where the price increased 2.3 cents to $2.197 a gallon. The Gulf Coast is home to much of the nation's oil and gasoline production, as well as a large share of the refining capacity. Generally, the lower cost of transporting crude oil and refined products keeps prices substantially lower.

The Midwest saw the largest jump in diesel prices, 3.3 cents to $2.289 a gallon, but that is 63.7 cents less expensive than last year. The smallest increase was in New England, where the price nudged up three-tenths of a cent to $2.631 a gallon from $2.628. In that region, diesel is 5.5 cents per gallon less expensive than a year ago.

In Chicago, oil industry analyst Phil Flynn told Transport Topics that as the economy begins to gain momentum, oil prices gradually will increase and the hikes will be felt sooner rather than later at gas stations, truck stops and other places where cars and trucks refuel. "I think we're in a recovery," Flynn said. "I think there are signs the market is tightening and it's a combination of the economy opening and demand getting back to normal. You're seeing demand come back faster than anticipated." Flynn also said, for now, the decision by OPEC+ nations to cut production, in addition to lower domestic oil output because of the falling price of crude from March through May, is making an impact.

HMM changes western US rail partner to gain alliance efficiencies

Ari Ashe, Senior Editor JOC.com | Jun 19, 2020

HMM has switched its western US rail business to Union Pacific Railroad, a move that allows it to gain efficiencies from being served by the same Class I carrier as two of its alliance partners. The switch also underscores the potential for ocean shipping alliances to cooperate more on inland transport. Customers were alerted in a brief customer advisory dated June 4 that said the transition from BNSF Railway would begin the first week of August and that additional details would be provided later. BNSF has been HMM's primary western US rail provider for more than three decades.

HMM's advisory did not provide a reason for the switch. But Hapag-Lloyd and Ocean Network Express (ONE), two of HMM's partners in THE Alliance, have multi-year contracts with Union Pacific, spurring HMM to switch its business because of a need to build cargo density, a carrier executive familiar with the matter told JOC.com. Yang Ming, the fourth THE Alliance member, uses both BNSF and UP. And although Hapag-Lloyd uses both western US Class I railroads, the European ocean carrier labels UP as its "primary western rail partner." HMM's decision was not due to BNSF service performance, said the executive, who asked not to be identified.

Rail switch triggered by move to THE Alliance

HMM routed cargo with BNSF when it was a member of the 2M Alliance because Maersk and Mediterranean Shipping Co. are also BNSF customers. But when HMM switched to THE Alliance in July 2019, the ocean carrier had to decide whether it made sense to have a 50-50 split in western US railroad partners within THE Alliance.

BNSF declined to comment, and UP said it doesn't publicly comment on individual customers. UP in early 2018 said it would exclusively serve ONE's western US rail business.

Maersk Tankers Changes Course in Volatile Oil Markets

By Costas Paris, WSJ, June 20, 2020

The company wants to manage ships rather than own them as sharp pricing swings and geopolitics rattle tanker operators

Maersk Tankers A/S is resetting its business model as it tries to navigate volatile energy markets that are sending earnings in the oil products shipping sector on a tumultuous ride. The company is offloading dozens of product tankers into a shared pool arrangement and transferring their ownership to a separate entity as it seeks to move from operating its own ships to a potentially more stable business of managing tanker fleets. "We have fully changed our business from a typical tanker owner to a service provider," said Christian Ingerslev, the company's chief executive. "When markets are weak, we provide owners better risk management and more flexibility."

To read more of this article please follow the link; https://www.morningstar.com/news/dow-jones/20200620634/maersk-tankers-changes-course-in-volatile-oil-markets

MOL goes on the defensive as it prepares for the post-Covid era, slashing fleet by 5%

by Sam Chambers June 23, 2020

Mitsui OSK Lines (MOL), Japan's largest shipowner by fleet size, has issued a new business plan to cope with slashed world trade in the years ahead following the damage wrought to the global economy by the coronavirus. MOL will reduce its holdings by 40 ships – equivalent to around 5% of its fleet – with tankers, bulkers and car carriers all set to be offloaded. The company is also planning to dispose of non-core assets including real estate as it prepares to get through one of its toughest periods in its 136-year history. MOL has made forecasts for when various trades will return to pre-coronavirus 2019 levels and they make for sobering reading. Seaborne trade of automobiles will recover to 2019 levels from 2023 or later, MOL is predicting while the global container cargo trade will bottom out in the third quarter this year with box trades set to plummet 25% year-on-year for 2020. MOL is forecasting the container sector will only get back to 2019 levels by 2022. Cargo movements of raw materials for steel production will start to recover in 2021, but recovery to 2019 levels will likely take until 2022 or later, MOL stated, while adding that cargo movements of grain, which are based on food demand, are expected to be relatively steady. MOL is predicting that the crude, product and LNG trades will just about have recovered to 2019 levels during the year 2022.

In forecasting megatrends for the post-Covid era, MOL's world view from 2022 will see an acceleration of energy transition for all industries. MOL said its investment targets will change in step with this transition. MOL is also anticipating a continued decrease in people and product movements to a lower mobility society as well as a review of supply chains in each nation's major industries, moving towards self-sufficiency, something that has been strongly espoused by Japan's prime minister, Shinzo Abe.

Trucker YRC Seeks to Defer Millions in Benefits Payments

By Jennifer Smith June 18, 2020

One of the largest trucking companies in the U.S. is facing new financial strains that could jeopardize health insurance coverage for thousands of its workers in the midst of a pandemic. YRC Worldwide Inc., which slashed expenses and struck a deal with lenders to improve liquidity during the crisis, skipped March payments to funds that provide medical and other benefits to its unionized workers. The company has asked to defer millions of dollars in payments for March, April and May, and interim agreements with some funds to cover employees now are set to end next month. A spokesman for Overland Park, Kan.-based YRC said the company is working with the funds and the International Brotherhood of Teamsters union, which represents more than three-quarters of YRC's workforce, to ensure employees "have uninterrupted access to healthcare benefits."

"The Company has asked the funds to basically keep providing health care to our members, while it gets its cash flow sorted out in the short term," Ernie Soehl, the Teamsters national freight director, said in a May 29 memo to members, adding: "We have made it clear that we simply cannot have our members working without health care coverage." YRC is the fifth-largest U.S. trucking company and the fourth largest less-than-truckload shipping, or LTL, provider by 2019 revenue, according to transportation research provider SJ Consulting Group Inc. The financial pressures on the company have grown as YRC and its competitors in the LTL sector, in which carriers combine freight shipments for customers on trucks that connect distribution centers, retail stores and factories, have coped with falling freight demand amid coronavirus-driven lockdowns.

YRC is one of the few remaining big unionized trucking companies, which tend to face higher pension and benefit costs than their nonunion competitors. Over the years, the company has struggled under heavy debts and pension liabilities, but it has also won repeated concessions from lenders and employees to help shore up its finances. It reported a $104 million net loss in a weakening freight market in 2019 but swung to a $4.3 million net profit for the first quarter of 2020 following a $49.1 million loss in the same quarter in the previous year. The carrier has been a major service provider to large shippers such as Walmart Inc., said Mike Regan, chief of relationship development with logistics and freight management consulting firm TranzAct Technologies Inc. If YRC collapsed, he said, "shippers could see their LTL rates go up significantly." But, Mr. Regan said, YRC has "a complete alignment with parties that have a vested interest in having them succeed—the unions and the banks," adding, "Everyone recognizes that YRC alive is much better than YRC dead."

Ron Guzzi, Home Depot Inc.'s senior manager of transportation carrier relations and sourcing, said at a Wolfe Research virtual conference last month that the retailer is monitoring the carrier's status and isn't scaling back its business with YRC, according to a transcript published by Washington publication CQ Roll Call. The company is making contingency plans in case of a "worst-case scenario," Mr. Guzzi said, according to the transcript. "But we've been there with YRC from the get-go and our intention is to stick with them as they go through any challenging times." A Home Depot spokeswoman declined to comment. This time around, YRC's white knight could be the federal government. The company is seeking an unspecified amount of relief under the Cares Act, which Congress enacted in March to help companies withstand the financial fallout from the coronavirus pandemic. In April, the company told a large multiemployer health-care fund that the missed contributions would be paid once YRC received that loan, according to a quarterly report issued last month by a court-appointed independent special counsel overseeing that fund and a related pension fund. YRC declined to comment on the status of its Cares Act request.

ATA calls on Congress to pass bipartisan infrastructure package with sustainable funding

Arlington, Virginia – Today, American Trucking Associations President and CEO Chris Spear issued the following statement after Transportation and Infrastructure Committee Chairman Peter DeFazio released the House committee's draft surface transportation reauthorization bill: "On behalf of ATA members helping move 71 percent of our nation's freight, we applaud Chairman DeFazio for fulfilling his commitment to produce a comprehensive infrastructure bill, and we look forward to working with House Ways & Means Chairman Neal to fund it—with real money.

"This draft legislation contains significant investment in our country's roads and bridges. And while we may not agree on every provision therein, this is a real and commendable step on the part of the committee to advance the process in the House and ultimately arrive at a negotiable solution with the Senate. "Roads and bridges are not Democrat or Republican. We all drive on them. For the 7.7 million Americans in trucking who do their job each day to move our economy forward, we ask members of Congress to do theirs—and pass a bipartisan infrastructure bill that meets the urgent needs of our economy, our industry and the motoring public."

SF Mayor Breed proposes parcel tax to fund teacher wages, pivot lawsuit

by Dominic Fracassa 6/17/20

Mayor London Breed said Tuesday she's proposing a $288 parcel tax for the November ballot that would generate $50 million annually for the San Francisco Unified School District's teachers. The measure, which Breed has named the "Fair Wages for Educators Act," comes amid a punishing budget crisis for the district that's forcing school officials to confront a projected $148 million deficit in the 2021-22 fiscal year — a 16% reduction from the district's current budget. The measure would replace a nearly identical parcel tax San Francisco voters passed in 2018. That measure, Proposition G on the June 2018 ballot, was intended to give SFUSD teachers a $5,500 salary boost. Prop G succeeded with more than 61% of the vote. But the measure has been tied up in litigation over the simple-majority voter threshold used to pass it. San Francisco resident Wayne Nowak challenged the city's use of the lower threshold, with the backing of the multinational law firm Greenberg Traurig. The city won the case at the trial court level, but an appeal is pending. The city is collecting the parcel tax, but cannot spend the money until the litigation is resolved. Breed is seeking an end-run around the legal blockade by passing the measure introduced Tuesday with a two-thirds supermajority, insulating it from any potential legal challenge over the voter threshold question. The new measure would replace the old one if it passes in November.

City officials could not, however, spend the money they've already collected under Prop. G, since the simple-majority used to pass that measure is still being disputed in court. "Everyone is struggling right now under the weight of the COVID-19 pandemic, including our schools, our students, and our teachers," Breed said in a statement. "We are currently collecting a tax to support our educators that we can't spend because of a lawsuit, so it's time we step up and remove that risk by taking this parcel tax back to the ballot."

Since the mid-1990s, any ballot measure that would raise taxes for a specific purpose — like teacher pay-raises — has required a two-thirds majority for passage. But in 2017, the San Francisco city attorney's office issued a pivotal memo interpreting a state Supreme Court ruling from that same year to mean that tax measures put on the ballot by citizens — not government leaders — needed only a simple majority to pass. In February, school district officials said San Francisco schools needed to begin planning for a worst-case budget scenario, including staff cuts. The district has not faced staff layoffs since 2013. In recent years, the district has spent up to $20 million more than it received in revenue but made up the difference with excess reserves — funds that have long since run out. "Creating a stable funding source to maintain salaries for our hard-working teachers and staff is critical, especially as they, like so many others, are facing economic anxiety," said SFUSD Superintendent Vincent Matthews. "This measure will also be critical in allowing the district to weather the budgetary crisis that has deepened as a result of the COVID-19 pandemic."

The executive board of United Educators of San Francisco, the teachers' union, voted unanimously to support the measure. "Instead of expecting our students to wait for the final legal outcome — in the time of a pandemic, when our kids need more support than ever before — UESF supports an initiative that will not only bring much-needed revenue into our schools, but will do so while decreasing property owners' taxes," said union President Susan Solomon.

Breed's $288 parcel-tax proposal is lower than the current $320 tax.

Answers to Trivia

"Gas Leak" That Evacuated German Post Office Turned Out To Be Parcel Of World's Smelliest Fruit

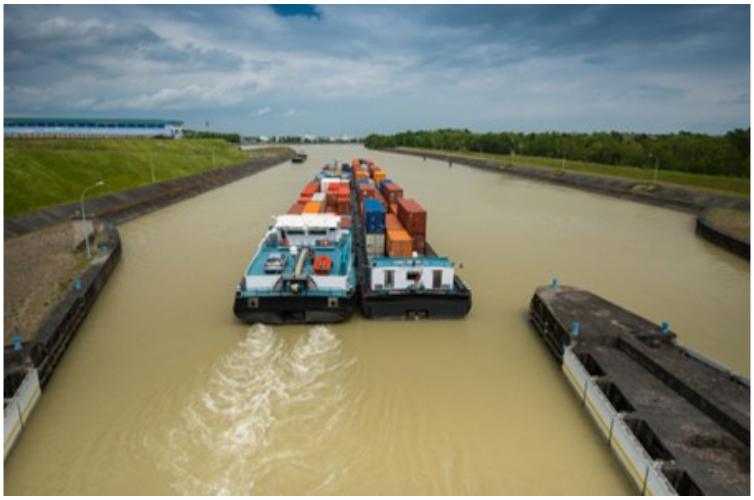
Rotten onions, turpentine, and raw sewage are just a few of the comparisons commonly named to describe the odor of durian, the world's stinkiest fruit. Native to Borneo and Sumatra the bizarre, spiked fruit is the most divisive of Marmites in that while some people adore its strong odor and sweet flavor, others are so repulsed by it that they fear a chemical threat has been unleashed, which is precisely what happened in a Bavarian post office last week.

A suspicious, pungent parcel was flagged up after workers at a post office in the town of Schweinfurt, Germany, reported feeling unwell after breathing in "fumes". Emergency response teams arrived in their droves to deal with the potentially hazardous item, with police, firefighters, and emergency services attending the scene. Twelve postal workers were treated for nausea on the scene and six were transported to receive medical attention, reported German broadcaster Bayerischer Rundfunk. Sixty people were cleared from the building as fears mounted that the parcel was emitting a harmful substance. "Due to the unknown content, it was initially unclear whether the suspect package posed a greater risk," a spokesperson from Schweinfurt police department said, according to a report from CNN.

Courageously, the police inspected the parcel only to find that the overwhelming odor was not the result of some harmful gas but instead the perfume of the infamous durian. The delivery was a shipment of Thai durian fruits, sent by a friend to a 50-year-old resident in Nuremberg who is reported to have now received the malodorous gift.

Durian is well known for its overbearing scent and travelers across Asia may be familiar with posters demonstrating that the spiky fruit is banned from many hotels, hostels, and onboard public transport (if only we could get the same protection for egg and cress sandwiches in the UK). This isn't even the first time its highly acquired perfume has sparked fears of a harmful gas leak. In 2018 a library in Melbourne, Australia, was evacuated only to find a durian snack was to blame.

Five US container-on-barge projects get federal funding



By Michael Angell, Special Correspondent, JOC.com 6/15/20

The federal government has awarded $5.7 million to five planned and existing container-on-barge efforts; the latest wave of Maritime Administration grants aimed at reducing truck congestion and giving cargo owners additional, greener — and often cheaper — transportation options. The latest round of grants, which includes another $3.8 million for moving bulk commodities and yard improvements, are part of the US Marine Highway program. The Department of Transportation's Maritime Administration (MARAD), which runs the program, has given out $33.8 million in grants over the last four years for such projects.

The grants will go to waterborne freight services in Illinois, Indiana, Kentucky, Louisiana, New York, New Jersey, Oregon, Tennessee, Washington, and American Samoa. Tidewater Barge Lines of Vancouver, Washington received the largest of the grants, $3.2 million, to support the expansion of barge services between the Port of Morrow in Boardman, Oregon and Vancouver. The service, along the Columbia River, aims to take trucks off of a 166-mile (267 km) stretch of Interstate 84, the second-busiest highway in Oregon, according to data from the state's transportation department. The Port of Morrow itself won a grant from MARAD earlier this year to complete a breakbulk terminal aimed at serving the state's wind energy projects.

SEACOR AMH, which operates a container-on-barge service, along the Mississippi River, received $778,000 toward boosting capacity on 29 barges that operate between Memphis and Port Allen, Louisiana. Shippers use the service to bring containerized resin to the Port of New Orleans.

Container-on-barge services in the Port of New York and New Jersey will also get a boost through two grants totaling $456,000. Most of that will go to US Coastal Service, which plans to launch a barge service between Kearny Point, New Jersey, and Newtown Creek, straddling the boroughs of Brooklyn and Queens. MARAD said the service will reduce traffic by eliminating up to 6,000 truck-miles weekly. Another grant will go to the Red Hook Container Terminal in Newark for the purchase of low-emission yard tractors in support of barge operations there.

America's Central Port, a bulk commodities port on the Mississippi River in Granite City, Illinois, received $1.2 million to buy a 275-tonne crane and a container tilter in support of its container-on-barge service that links New Orleans and Chicago. The Port of Pago Pago will also receive a $943,000 grant aimed at rehabilitating dock fendering, resurfacing the container yard, and buying new yard equipment. Among other projects receiving funding, Charlotte, North Carolina–based Nucor Steel received the second-biggest award, $2.3 million, which will go toward the construction of a marine terminal to serve its new Brandenburg, Kentucky steel mill. Nucor's Gallatin steel plant in Ghent, Kentucky, which is also being expanded, will benefit from a $545,000 grant toward the purchase of a new forklift and the construction of a new laydown area at the Port of Indiana-Jeffersonville.

Trump and Pelosi: Working Together, But Never Admitting It

While the world has watched demonstrations (and looting) here in Washington, D.C., Capitol Hill and the White House have been busy—and, contrary to the media narrative, working productively together. Together, the Democratic-majority House, Republican-majority Senate, and President Trump have, in the past couple of months, passed the largest public-relief bills in the nation's history, to address the impact of the COVID-19 coronavirus. The two primary advocates for such massive funding levels were House Speaker Nancy Pelosi and President Donald Trump. Both worked to overcome pockets of resistance in Congress and the Administration. The House and Senate are now discussing, and will shortly pass, a fifth massive economic-relief bill, extending unemployment supplements and funding state and local governments, among other measures. The President will sign what they pass.

Even if, politically speaking, they cannot admit it, the House and Senate are actually quite close in substantive ways on unprecedented federal intervention into local policing policies and tactics, developed in response to the George Floyd catastrophe. The media will highlight the differences between the Democratic and Republican approaches (and there certainly are a number of them), even though they have much in common. Again, the President will sign whatever the House and Senate pass. Nancy Pelosi and Donald Trump had to work together to pass the controversial United States-Mexico-Canada Agreement (USMCA) six months ago. Normally it takes a year (or more) to update regulations to implement complex trade agreements. But this year there is pressure to get the USMCA in place much more quickly, and it will go into effect on July 1. The trade community and Customs and Border Protection (CBP) are working feverishly to get ready. Why the rush this year? Both Donald Trump and Nancy Pelosi demanded it. They won't admit it, but we who work to get bills and amendments passed know that, just like the COVID-19 spending, the Speaker and the President are "on the same page" once again.

What's the next big objective, and will they work together again? Getting funding to build, or rebuild, roads, bridges, ports, and transit has long been every politician's spending perk. But in the past three decades, Congress has gotten cold feet. The Highway Gas Tax used to be sufficient to pay for roads and transit. But since 1992, the tax hasn't been increased, and revenue is grossly insufficient for its intended purpose. Now the President is touting a trillion-dollar infrastructure bill—more money than any such bill before. Is it too much for Congress to swallow? It shouldn't be; after all, Congress and the President just this spring agreed to spend over $4 trillion on COVID-19 response. So, $1 trillion for highways, subways, bridges, and roads, which is so desperately needed and would create so many jobs, sounds reasonable to most Democrats, many Republicans, and the President.

How do we pay for it, though? One might think that if it is urgent, then we should do the same as we do for military spending, for COVID-19 response, for climate change, or for policing programs: authorize and appropriate funding from the U.S. Treasury. However, Congress seems stuck on treating infrastructure differently—since 1992 refusing to increase the gas tax, refusing to provide general Treasury funding, and insisting that it must be "paid for" by some new or additional taxes or user fees.

Will this year be different? Will Congress abandon its dependence on the longstanding "paid for" approach and instead take (a lot of) money from the Treasury? Or will legislators come up with some other infrastructure funding mechanism? The answer depends on whether Trump and Pelosi can continue their string of legislative successes. No doubt President Trump and Speaker Pelosi hate the thought of being seen as a "team." But their record this year suggests that, once we get past the "noise," in important ways, they are. And the nation is better off for it.

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