



Episode Title: What Will the Biden Trade Plan Look Like? -- A Conversation with Daniella Taveau

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Lynn L. Bergeson (LLB): Hello and welcome to All Things Chemical, a podcast produced by Bergeson & Campbell, P.C. (B&C[®]) a Washington, D.C., law firm focusing on chemical law, business, and litigation matters. I'm Lynn Bergeson.

This week I sat down with Daniella Taveau, a regulatory and global trade strategist and founder of Bold Text Strategies. As a former international trade negotiator for the U.S. [Environmental Protection Agency] EPA, Daniella represented the United States in all U.S. free trade agreements before the World Trade Organization (WTO), the United Nations Food and Agriculture Organization, and the Asia-Pacific Economic Cooperation. Daniella also served as an international policy analyst with the U.S. Food and Drug Administration. Given Daniella's rich background on global trade issues, we discuss the incoming Biden Administration's approach to trade, what the Biden trade plan might include, what chemical and pesticide companies might expect in the months ahead, and what are some of the key differences between the new Administration's approach to trade and the former Administration's trade strategy? Now here is my conversation with Daniella Taveau.

Daniella, welcome back to the studio. I'm just so delighted to have you here again.

Daniella Taveau (DT): Thank you, Lynn, for having me again. Last time was a lot of fun, so I was really looking forward to today.

LLB: Wonderful. Well, let's get right into it. The Biden Administration has made clear that it has a different approach from the Trump Administration on international issues generally, of course, and on trade policies in particular. How would you characterize the Biden Administration's approach to trade? Maybe it's a little bit too early, but in these early days, what do you see in broad strokes as the quote unquote, "Biden trade plan"?

DT: Well, I would say it's almost an understatement to say they have a different approach, right?

LLB: Indeed.

DT: And part of this is us piecing together what we *think* this is going to look like. They've been very cautious about what they put out there, and with good reason. We have a lot of history to go on because Biden and the people within his cabinet are known figures, which is something that is very comforting. So here is what *I* think is likely to happen. I think we're not going to be looking at new trade agreements. As someone who is a former negotiator, it is very complicated, complex, lengthy, labor-consuming, I would say, to negotiate -- resource-consuming -- a trade agreement. Instead, what I think we're going to see is really an assessment and repair of what we already have, scaffolding, so making sure that all the rungs in the ladder are where they should be.

There's a reason for that. If we look at where we export our top markets, and we take -- Canada and Mexico by far make up the vast majority of where our exports go, and then Japan and China. We start to see some fissures beneath the surface, notably with Canada and Mexico. I don't want to just throw out a bunch of numbers because they don't necessarily mean a lot. There are a lot of other factors that can make up why those numbers look the way they do. But if you look at an average between 2014 and 2016, for example, and then you see what we exported to these countries in 2020, other than China, where we actually saw an increase, we saw a major drop, I would say, with Canada and Mexico. And this should be cause for concern. Obviously, if we look at our bottom 20 markets for our exports and we increase those 100-fold, it still wouldn't make up for a five or ten percent drop to Canada and Mexico.

LLB: You correctly noted that you were a former federal trade negotiator, and I'm sure you have been chatting with some of your colleagues who are either formerly in the government or currently in the government working these issues. And based on those conversations, have you been able to discern, based on the Biden appointees, for example, or any conversations that are ongoing (because there haven't really been any trade policies announced), what might some of the priorities include as we move into the new Administration and into this new year?

DT: One thing I would say is we should *not* expect, "Well, we're going back to the Obama era." Well, compared to Trump, maybe, but he's not going to look -- he's going to have different policies than Obama. I worked in the federal government, and I was very fortunate to work there for a number of years. I've met some of the most wonderful people, my colleagues -- career, incredibly smart and very dedicated -- and they're very excited. They're always kind of apprehensive about any new administration, but in this case, I don't think that they felt that they were treated very well for the past four years. At a minimum, just the rhetoric surrounding being in the employ of government was not really helpful. And you saw -- not just as a matter of demographics, but just as a matter of people that were eligible for retirement leave -- so you had a mass exodus.

Right now, I think we have to figure out what the heck is going on. As Biden is appointing -- we have about 4,500 different political appointments in the federal system, and we still have a lot of open positions and even key open positions. There is a little bit of a question of what are they going to do? But having some of these familiar faces, you see [Tom] Vilsack in USDA [U.S. Department of Agriculture], Janet Yellen, a number of other folks in cabinet positions, gives people a source of comfort.

I will say that there is definitely going to be a focus on diversity. We're already seeing that. And not just diversity for the sake of diversity, but diversity of opinions, diversity of understanding, different perspectives on priorities, making sure that everyone gets a fair deal, that government isn't just for the one percent, but it's for everyone, and everyone feels

that they have access to it. We're going to see a greater focus on nutrition. We're obviously going to see a greater focus on the environment and climate change. I think everyone can agree on it's going to be the primary focus.

LLB: Yes. Got a couple of questions for you on that. Getting back to some of these new appointees, Katherine Tai is, of course, the new U.S. Trade Representative (USTR). She was confirmed on March 17 by a kind of shocking vote of 98 to 0. Got a couple of questions for you, Daniella, in this regard. Number one, what can you tell our listeners about Ambassador Tai's operating style and approach? That's number one. And then a second, related issue is what does Ms. Tai's past tell us about her probable stance on issues relating to China?

DT: Well, she is beyond a doubt very, very well-qualified, very intelligent, very well respected. You see that unanimous Senate confirmation; that didn't come out of nowhere. That meant that Republicans and Democrats alike were hearing from their stakeholders who said, "Yes, yes, yes."

I can tell you, I know her a little bit. I don't know her very well, but many of my friends who work very closely with her, whether it was at USTR or whether it was at the House Ways and Means Committee, hold her in very high esteem. Now, I have been told that her focus is going to be more on labor and the environment, and that's her strength, although she comes from an incredible background, which was USTR working on WTO issues. I don't think she is someone who's going to roll over quietly. I think she's highly collaborative, highly competent, and she's known as a pragmatist, someone who is going to be pragmatic, trying to find not solution A or B, but if things don't work, how can we go about it and do this the right way?

LLB: And is there any particular pathway with regard to her stance on China that is discernible at this point, or just too early to tell?

DT: She's indicated already, and I think it's not just true with China, that they're not planning on removing any of the tariffs any time soon. Maybe they will. Who knows? In a month from now, they may start removing. It depends on what happens.

But clearly on that point with the last Administration, they agree that China, at least in some respects, is a bad actor, and there are concerns, and we need to start addressing what those concerns are. The challenge is going to be teasing apart how we can work with China and areas where we shouldn't. And I've been very public on the record on saying that we *do* have to work with China, I think particularly in the area of food security. And in the environment, I think we will find some common ground.

LLB: Right. How would you -- maybe this is an unfair question, but I'm going to ask it anyway. How would you compare Katherine Tai to Robert Lighthizer?

DT: Completely different backgrounds. Where shall I start? I mean, Lighthizer worked for Skadden, which is a very conservative law firm. His background was working for industry, whereas Katherine Tai has basically spent her career in public service. I think that's a huge point of departure. Personality-wise, from everything that I know and have seen, and also I've heard, very different personalities.

Katherine Tai is a little bit more of the humble servant, I would say. She's very widely respected. I think she's going to do a great job. Lighthizer always had a reputation as very

intelligent also, but a bit of a bull in a china shop. I do think you're going to see incredibly different styles, and it will remain to be seen which one is more effective.

LLB: Excellent. That's very helpful. You alluded to this a bit ago in your opening remarks, Daniella, but I wanted to circle back because many of our listeners are really plugged in to trade issues generally. It comes as a surprise to no one that President Biden is super busy right now. There is the recent American Relief Act [American Rescue Plan Act of 2021] that was signed into law. We have voting rights issues coming up. We have an infrastructure bill that is going to be rolled out momentarily. At some level, trade issues seem not to be a priority, and maybe that's not a correct statement. I'm interested in your views on that.

But you also indicated that you doubted there would be new trade agreements pursued. Is that to say that trade is important, but it's kind of in the middle of the pack, at the bottom of the pack, or let's just see how things go. What is your sense?

DT: Trade is and always has been very important because that's how we sell our goods by trading with other countries. That said, let's get a little perspective around it in context. First, COVID-19 is our number one priority in addressing the issues that we have around COVID. And the other thing I would mention is people often forget that the world is not static, nor is it linear. Who would have thought two years ago that we would be all sequestered for more than a year due to a global pandemic? I mean, it's something we talk about. I can't really call it a black swan event, but this idea that we will emerge from COVID and will be exactly the same, I don't think that's accurate. The idea that we will emerge from COVID at all, I'm not 100 percent convinced that we won't see new variants and that our new normal is going to be regular vaccinations. And what does that look like?

As we're dealing with COVID right now, there's a lot of uncertainty around the future and what that looks like. And I think what we need to do is make sure that we are as resilient as possible and that we're able to address new challenges as quickly as possible. Getting back to your question about trade, are we going to take all of our government resources and invest those in negotiating comprehensive trade agreements, which take years to negotiate, and get through? I would even say that with climate negotiations. People think, "Oh, great! We're going to be part of the Paris Treaty, and therefore all of our problems will be resolved."

No. It's far more complicated to actually solve the problems, and it takes a solution that encompasses businesses and government working together. What I do expect to see is let's review what's going on with USMCA (United States-Mexico-Canada Agreement). Are we using it to its maximum potential? Are there emerging issues where -- such as national security issues, cybersecurity issues, environmental issues, digital economy issues -- that we don't necessarily have the right instruments, and we think moving forward it would make sense if we can harmonize together or collaborate together? I do expect that we're going to see more narrowly focused agreements, but it's going to be very challenging.

Some people have talked about even rejoining the TPP (Trans-Pacific Partnership), which is CPP TPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership] now. Even that would take a comprehensive negotiation with a number of these countries because the world is not the same as it was in 2008 when we embarked on that journey.

LLB: In that regard, even if there were an interest in moving in that direction, Republican opposition to past international environmental agreements for sure has been held up in the

Senate largely because of the Senate composition. Could that change now, given the fact that we have a Democratic Congress and a Democratic President?

DT: It could, but I don't think it's going to be due to just having Democrats in there alone for a number of reasons. First, I would say the Democrats don't really have a clear mandate. If you look at the Senate, and if you look at even the House of Representatives, and you look - - we're coming up to 2022 elections and even 2024 -- they need to deliver, pretty quickly. And they're fighting the tide of a number of other issues, including what is massive voter suppression, which is really concerning, and it is what it is.

Biden should be a little bit grateful -- it sounds very strange -- because it forces Democrats and Republicans to work together. And it -- on both sides, they're going to have to figure out how to tamp down on the fringe. Climate change, though, I would say, has become severe enough that whether you're a Democrat or a Republican, most people believe that it's real. Many of the circles that I work with in the intelligence community, national security, feel that it is our single biggest problem. Many of those folks are Republicans as well. I would say Republicans are hearing about it from their constituents. The question is going to be how we actually address it. Hopefully we have pragmatic solutions. I think Lyndon Johnson said, "A half a loaf of bread is better than no loaf at all."

LLB: Let's pivot, then, to some of those climate, environment, and trade issues, since we're kind of on that topic. It is crystal clear that climate change and -- in my neck of the woods, working extensively in both international and domestic industrial and agrochemical issues -- infusing all of the Administration's actions with an element of environmental justice. These are topics that have been talked about relentlessly, both during the campaign and, of course, now, since we're into the Biden Administration. I get that there is this relentless focus on addressing climate change, but does that leave room for other really important trade international issues, including agricultural trade, phytosanitary measures, subsidies, and related issues? Where do -- how does the Administration parse out these other priorities, given the fact that climate seems to be dwarfing just about everything else and sucking all the oxygen out of the room?

DT: That's a great (and not loaded) question. I would argue that climate change is related to all of the above, and it's inextricably linked. You cannot segregate it, particularly from other agricultural issues. And I can give you some very specific examples and some specific thoughts on this. I mentioned earlier about joining the Paris Accord. What does that mean?

I do not think that any treaty can be as responsive as technology can in addressing climate change. Even if we were to be incredibly proactive around the world, around the globe, in addressing what -- the issues that are contributing to climate change, which I don't even think we agree on them -- what are the issues? what are the major contributors? -- which is challenging enough. We still have a problem that the climate is changing.

How do you address that? How do you have the varieties of seed, for example? What does this mean for the human condition, for animal and plant life, or as you say, the SPS (sanitary or phytosanitary) issues? We will need to have a planet where we have a tool chest available in technological solutions.

In that regard, I think that a number of countries are coming out with what they think that looks like. Europe has come out with their Farm to Fork strategy. Canada just published a paper last week. I am a person who believes that climate change is real. I always have believed that. That said, even I am concerned that we address it correctly, we put the right

measures in place. We may not get it 100 percent right, but let's do something as expeditiously as possible that's measurable, that mitigates based on the best available data.

LLB: Where would you expect most of the alignment to exist? And where in the world would we see vigorous challenges in finding alignment on some of these climate-related issues?

DT: I think it's going to be very challenging to really -- when you say find alignment, to me that means where we find alignment and we agree on it in some type of form and we commit to it, which is why I actually think it's better for us to take voluntary, measurable steps in addressing climate change.

I'll tell you a couple of things that I see that bother me. The first thing that I see is there's a lack of accurate data around climate change. Again, it doesn't mean that it's not occurring, that it's not dangerous. But even for me, I remember I was speaking at a big international seminar back in September, and I'd heard so many different numbers on climate change with regard to agriculture. I do a lot of research beforehand for this type of venue. I went to what I would call the top ten credible sources, reading through articles and -- scientific articles. And I found that the contribution of agriculture to climate change ranged from 5 to 60 percent, depending on who you ask. This really disturbed me a lot. How can you develop good policy when you don't know?

Then are other issues. Sometimes you have a major contributor, but it's something that you're more easily able to mitigate. One thing we're talking about is going to electric vehicles, for example. Is that really the answer, or is it that we drive our cars less? I mean, these are the kinds of things that I think are very concerning to me, and it shouldn't keep us from responding. The other thing is, again, let's get rid of these treaties and actually come up with collaborative projects that we can work on.

What I think we're going to see a lot of in the emerging -- in the next year, there's going to be a lot of focus on trees and forests. There are a lot of reasons for that, but one of the things that concerns me, again, is if you look at the European Union (EU) and you look at the United States, we have well-managed net positive forests. It's not Central Africa; it's not the Brazilian rainforest; it's not many parts of Southeast Asia, where you have massive deforestation in Siberia. Those -- deforestation is a huge concern. We just have to understand where is that a huge concern? And how can we take some of the practices that we've employed in the United States and Europe and deploy them over there to ensure that we have net positives everywhere?

LLB: Let me circle back to that 5 to 60, because just like you, I focus on data. Data are critically important in making a case, but when you have reasonable people coming up with a swing of 55 percent, is it a definitional conundrum? In other words, what is agricultural? What's included in that bucket? Because that's an astonishingly broad swing that makes comparing apples to apples in any particular area pretty challenging.

DT: I think definitional is definitely part of it. How they calculate this data is another part of it. What are all the considerations? And again, part of the problem too -- I always like to look at what's the real issue here? What's the underlying issue that's causing this disparity? There's a lack of money going into research, government research. I think we need to resolve that. There is a very important role, I think, that government needs to play. It's a different role than it was ten years ago or 20 years ago.

I was a regulator for years. I believe certain sectors need strong regulation. Others actually don't, because the nature of what they do is so open to public scrutiny that the idea of our clunky administrative procedures don't really effectively get us where we need to go. But two areas where I think the government can really excel because they're large enough that they are, from a business standpoint, able to shoulder risk, are investing in research and investing particularly -- and I almost segregate this -- in research for technology.

And a lot of -- you've seen in the past number of years a lot of consolidation among industry. That's because the risk of investing in new technology is high enough that they almost need to have a government prize. But this is truly the role for government right now.

LLB: Let's pivot to a couple of very specific issues in the agrochemical area and solicit your views on two topics. First, it relates to the dispute we're having with Mexico over the possible ban on glyphosate, a well-used and very popular weed killer. Will simply being not-Trump help with this issue? Or what's your take on how do we deal with this ongoing dispute with Mexico?

DT: I think it's really challenging. Some people would say, "Hey, Trump is no longer here, his derisive rhetoric and 'New day! New day!'" But the truth is, it's a bit of a Pandora's box. Once the cat is out of the bag, you have folks who believe in Mexico that glyphosate might be hurting them, hurting their families. It's very challenging. For just transparency's sake, I have a very particular view on this, and I've written about it; you can find it online.

My belief is that many governments that already evaluated the safety did not find the concerns that IARC [International Agency for Research on Cancer] found, and I agree with that. As someone who worked at EPA, there's a huge difference between something that you can find in a pesticide that any average consumer can buy versus something that is so concerning that it has to be only used by a particular set of people that have been trained on how to use it.

That kind of a test underlies the general safety of glyphosate. The first problem is, again, that the cat's out of the bag. The second problem is there are so many parts of the United States that are headed in the same direction. You look at Prop 65, California law, even in my own county, first they banned glyphosate, and I had my -- this is a true story. The folks who took care of my lawn came to me one day, and I said to them, knowing that they had banned glyphosate, just out of curiosity, I said, "So what is it that you use now?" And they mentioned a chemical that I can tell you right now is far more concerning than glyphosate, and I know it, but they mentioned it by the trade name.

LLB: The trade name, right.

DT: Right. And they said, "Oh, that doesn't mean much to you because it's a trade name." They didn't know my background or anything like that. They said, "But don't worry. We're not using glyphosate." At that point, I nearly doubled over in laughter, and I said, "You know what? I wish you were!"

LLB: Right.

DT: "I wish you were using glyphosate." I do think that that's a problem. If we're going to address this problem truly, we can't just say, "Hey, Mexico, don't do that." We have to look into building, rebuilding our relationship with Mexico. We have to address underlying issues with Prop 65, which allow incorporation by reference of hazard-based standards, such

as IARC, explicitly IARC, and NIEHS [National Institute of Environmental Health Sciences].

Prop 65 was built that way on purpose, and it was passed as a referendum at a time where we were concerned about dismantling of EPA, and that's public reaction to that. But it's highly problematic, not just for California, but California being a huge economy, sixth largest in the world. It's problematic here in the United States for interstate commerce, so before we go knocking Mexico, I think we need to address some of our issues here at home.

LLB: No, I totally agree, Daniella. Prop 65 is the gift that keeps on giving, to practitioners, for sure. But there are a lot of anomalous situations that are truly regrettable, one of which is the regrettable substitution issue that you just alluded to. It's like if you're throwing out glyphosate and Roundup and all of the Roundup wannabees, what are you using in its place? Is it a net gain or a net negative? Those issues are not adequately addressed, in my view, in many different instances.

Let's transition to another really thorny problem, Daniella, and that is this kabuki dance that we have with the EU's emphasis on the precautionary principle. Might that be used as a basis to eliminate many pesticide maximum residue limits or MRLs, as they're known in the trade? If so, I can only presume that would have a ginormous and adverse impact on agricultural trade, right?

DT: Absolutely. I unabashedly love Europe. I love my European friends. I understand where they're coming from, so I'll say that as a predicate. I do believe that we should work with them and figure out a way to work with them, and I think it's imperative. That said, I've been following this issue for at least 15 years very closely. As you know, I was the U.S. lead on pesticide issues years ago. I remember elevating these issues back in 2008, in particular through 2012, and of course, beyond. But in particular, I saw some of the changes to the pesticide legislation and what they were doing with endocrine disruptors, and the problems that it was going to cause, and actually pulling together a number of folks at the WTO as well as in Brussels -- and when I say pulling folks together in a number of different countries, at the time I was representing the United States at the WTO on the SPS and TBT [technical barriers to trade] committees to start elevating these issues.

Many of the comments that were drafted by the United States on this, I actually had a heavy hand in, so I do have a particular view. I do think that we need to address this. I think it's going to be very disruptive to trade. And quite frankly, if you look at our market in Europe, given how much agriculture they import, we are already severely underpenetrated. This is not just something that's imaginary. This is very problematic, but I also think it's not sustainable on the European side. It culminated with the Farm to Fork Strategy, which I've read backwards and forwards several times. I do think that they have the right level of ambition. I think that it's great that they want to start addressing some of the problems. I just don't think that the formula that they've laid out to get there is going to achieve that without having major repercussions that are negative.

Specifically, here's where I think we have problems there. They're not descriptive enough when they talk about deforestation issues that it's -- it's kind of like saying, "Hey, we have a problem with plastics. Great, let's ban straws." That's just -- I *never* thought that made any sense. And there was no reason to think -- when you talk about what the real issue was, it was not straws. It was ten rivers in Asia.

I think they have a very similar approach. For example, they're talking about reducing pesticide use by 50 percent. I don't necessarily understand what that means because different pesticides have different levels of toxicity, so just saying that we're going to reduce it by 50 percent, that's great to have a level of ambition, but you have to explain what it means. It would be like me saying, "Hey, I want to lose 30 pounds." Great. You're only going to do that if you can lay out a really good strategy that includes the nuts and bolts of what do you eat every day? Calories in, calories out. Are you exercising? What are you changing? What I would like to see more of is "Here's what we're going to do," *not* what we would like to achieve, knowing that those things will get us where we need to go. That's one problem.

The second problem, I would say, is, what they're suggesting almost looks like Soviet-style farming. We're going to all go back to small farms. I do think that there is a problem in our distribution of food. Part of it has to do with our distribution of farms and the size of the farms, but it doesn't mean that we shouldn't have big farms. We *need* big farms to feed the world. We *also* need small farms for better distribution. It's not get rid of this -- black and white -- in favor of this; it's -- can we find the middle ground? It's not by supplanting conventional agriculture with organic agriculture, where the yields are lower. There's a reason that we need to do agriculture to scale to feed the planet, which even pre-COVID, we were not feeding the planet.

What do I think it *should* look like? I think it should be a combination of -- are there tools that we can use to precisely deliver the chemicals that we need? But what happens if we have a plague, like we had with COVID, but for plants or for animals? You need to have tools to address that. What happens if we're having fungi and you get rid of all your post-harvest fungicides? What does that mean? We need to address soil issues so we get better yields. We've been destroying our soil, so part of it has to do with regenerative agriculture. What are we doing to address soil health? There are a lot of different things, and it's very nuanced conversation. Part of the problem that we'll have with the European Parliament, just like you have here in the United States, when you pass laws, they try to inform themselves as well as possible, but it's always complex, and they're always developing these in a dynamic environment that's changing.

My hope is that we will work with Europe on a better solution. Speaking of which, I have to share with you a conversation I had with the Government of Canada recently because I found this fascinating. While they were working on a paper that focused on how can we get more small farmers into the fray -- which I think is great -- I asked them a question. I said, "What's driving this?" I said, "You can give me a thousand different answers, and all of them will be right. That's not what I'm looking for. I'm looking for, from your opinion, why do you think this matters?" The answer that they gave was one of the most honest and practical answers I have ever heard. They said, "Listen. The climate is changing. It's a huge problem. We recognize that. But because the climate is changing, it's changed what we can grow in Canada, and as a result, we can grow different varieties of plants that we couldn't before. We see that as an incremental market for Canadian agricultural exports. Are the farmers that are there right now on the big farms going to do it? No. We need to bring new farmers in to add to the existing lineup, and then we're going to have an incremental business." I thought that was a great approach, and they're also diversifying and finding new practices to manage the land. And I think that's a very fair response.

LLB: Practical. Pop-up agriculture.

DT: We need that, too. Again, I get very concerned when I hear about Big Industry and people complaining about it, because there's a reason sometimes that we need big industry, including in farming.

LLB: If today hasn't taught us anything, binary anything is just not going to work. It's not big, it's not small. You need a diversity of tools, sizes, approaches, thinking. So that Canadian answer is -- it's so nimble and brilliant. Of course it's right.

DT: Exactly.

LLB: And that will continue to evolve. Right?

DT: Our common enemy is black-and-white thinking.

LLB: Exactly. Exactly. Well, Daniella, in your view for pesticide and chemical companies, what do you see as some of the biggest challenges to business operations, both in the near term and the long term?

DT: First, I think that those industries have been actually operating in crisis mode for such a long time, they don't even realize it anymore.

LLB: That's the new normal.

DT: It's a new normal. And if they want to do something good for themselves, they should say, "Oh, my gosh, we're in crisis!" When a company is in crisis, how do they manage? They need to spend more money on communicating with the public and communications about risk in general. They are the stewards. It's not the job or jobs of government to do that -- never has been -- not resourced to do it.

I think the biggest problem they have is the combination of the unknowns that they're dealing with. My background is in business, and I work with a lot of startups, and I work with a lot of mature businesses on corporate strategy, business strategy, and the worst thing you can ever deal with is unknowns. In fact, when it gets to the point where the scales tip, you have more unknowns than you're willing to deal with, you sometimes almost want to walk away from it.

These companies are dealing with normal day-to-day business operations. Many of them are operating in 50 or more countries, so you have political unrest. You have political unrest due to climate change as well. You have a lot of displacement of people. What does that mean? You have our supply chains that are now completely screwed up, and the tariffs -- and I'm not saying that I'm anti-tariff because it can be a very useful tool -- just the way they were put in place, without a lot of thought to how supply chains work. This most recent thing, and I understand that the ship has now been dislodged from the Suez, we should expect --.

LLB: It has. A high tide rolled in.

DT: But, you know --

LLB: Why are we talking about high tides? I mean, we can't be that precarious.

DT: Well, we have a mutual friend, Howard Gutman, who knew a lot about what's going on in our ports and our own U.S. ports with climate change and what it means for sediment and not allowing those big ships in. What we saw on the Suez, we could see a lot more of that.

Then you have the cyber threat. Any company is right now open, but I think that there are certain industries in particular, especially depending on whether or not they're large, whether or not you have information that's proprietary, a number of other factors that make you more susceptible. And I don't think that a lot of companies are really prepared adequately to address their cyber risk. I mean, I pay attention to these issues of SolarWinds®.

LLB: I know you do. That's why I'm always freaked out after I speak with you.

DT: Don't do that. But it gets a little frustrating. I remember the speeches or discussions I had years ago, saying, "Pay attention." I remember one I gave two years ago. "Have a cyber plan. I'm very concerned about cyber breaches. There are so many different back doors, ransomware attacks. What does that look like?" It's not even the amount of ransom you have to pay. It's the fact that your information is held by someone else, and possibly a bad foreign actor.

Stock market volatility. All of these things are creating so many unknowns. I'm a pretty savvy investor, and people often will come to me. Right now, I'm like, "It could go either way. It could right now drop precipitously, or with inflation and money supply and other issues, it could go up to 40,000. I am not 100 percent sure." I am watching this very carefully myself, and no expert can give you that information unequivocally. I do think that's the biggest concern, and as a result, what's going to happen is more risk aversion. With more risk aversion, we have less investment in technology. It's almost like a vicious cycle that happens.

LLB: Well, last question, Daniella, and that is, if you were in Vegas, if you were a betting person, would you bet on things generally improving or worsening under the Biden Administration?

DT: I think that depends -- and when I say it depends, it's not "I have no idea." We have some measure of control over that. Here's where it could go right, and here's where it could go wrong. I don't think all of us joining hands and singing "Kumbaya" is going to get us where we need to go.

China is successful in that they look 100 years into the future. They look down the road. They're not looking for the short-term gains. They're not looking for the government payout. Plant for soy, and fill-it-out payout. They're looking at, like, how are we going to -- which industries do we want to dominate, and how are we going to get there?

I think the United States needs to really rethink its plan, and part of it needs to be focusing on our strengths. Our strengths are rooted in democracy. Democracy leads to new ideas and freedom of thought, and that's something that is -- that we do so well. We never want to give up. If we continue down the path of trying to open up doors and making sure we have diversity and diversity of thought, I think we will do really well. I also think that we need to reinvest in manufacturing. We cannot -- we are going to have to decouple to some degree from China and from others. I think that is what it is, because there are some concerning things regarding how we're using technology that I think we need to be careful of.

So long term, if the Biden Administration successfully threads the needle -- they're able to work with industry and say, "Okay. We understand what you don't like. How can we achieve this objective? Help us." And you don't want to wait for some type of proposed rule to interact with the federal government, because at that point, everything goes on the record. It becomes a lot more formalized process. Actually, one of the problems, I think, the administrative procedures are severely antiquated. You want to have a constant, consistent engagement. There's a lot of squirming that goes with that. Having disagreements, even if they are kind of very strong disagreements, is not an end point. It's a beginning.

So what *can* we do? What are we willing to do? Industry is in the best position to affect change. They're in the best position to actually measure that effect and share that data with government on their successes. But let's decide what it is that they're going to do to change the universe.

LLB: And I think this Administration would be very receptive to all -- everything on the table, to help us to these goals.

DT: I think so, too. I think so, too.

LLB: Daniella, great discussion, as always. You're just full of energy, brilliance, and insights. I want to thank you for being with us today.

DT: You are very, very kind. It's always a pleasure to work with you. You always had us -- when I worked at EPA, you had a stellar reputation over there. It's great talking with you, and I appreciate this discussion.

LLB: Thanks, Daniella. Take care now.

DT: All right. Take care. Thanks so much.

LLB: My thanks again to Daniella Taveau for speaking with me today about the Biden Administration's trade plan and what All Things Chemical listeners can expect in terms of trade issues in the months ahead.

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