



# Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release  
Thursday, June 8, 2006

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**Prepared Floor Statement of U.S. Senator Max Baucus (D-Mont.)  
on the Nomination of Susan Schwab to be U.S. Trade Representative**

Mr. President, I strongly support the nomination of Susan Schwab to be our next United States Trade Representative. I have known and worked with Ambassador Schwab for many years. She has had a stellar career as a trade negotiator, a senior congressional staffer, a businesswoman, and a university administrator and professor.

I recently read a piece about Ambassador Schwab in the Washington Post. That article described her as “a hard-nosed pragmatist, well versed in arcane trade economics, and a dazzling strategist and negotiator.” She was described as excelling as “a strategic thinker and consensus builder ... able to quickly synthesize the thinking of Congress, the administration and special-interest groups.”

That Washington Post article is 19 years old. It is from July 1987. By that point, Ambassador Schwab had already honed her reputation in the international trade community.

She had already negotiated tricky agriculture agreements in the Tokyo Round. She had already helped draft provisions of U.S. trade law — like Super 301 — that became a fixture of U.S. trade policy for the next decade. She had already attracted both fear and admiration among many of our most recalcitrant trading partners.

Nineteen years later, Ambassador Schwab continues to demonstrate her skill as a seasoned trade negotiator. In her tenure as Deputy U.S. Trade Representative, she has settled one of the most difficult and complicated trade issues — our dispute with Canada over subsidized imports of softwood lumber. She has worked tirelessly with our trading partners on trade agreements. And she has worked to obtain consensus among the 149 members of the World Trade Organization in the ongoing Doha Round negotiations.

Ambassador Schwab will need all of her skills to carry out the job as U.S. Trade Representative. We have entered one of the most difficult periods in trade policy that I can remember — both with our trading partners and domestically.

At the top of Ambassador Schwab’s agenda will be shoring up the Doha Round. Unless something changes soon, these talks are at serious risk of collapse. Our trading partners continue to believe that America alone must make the concessions necessary for these talks to conclude. They forget that negotiations are two-way. They are give and take.

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As I have told Ambassador Schwab, I will not be in a position to support any result out of the Doha Round unless several results are achieved. One, the EU must commit to serious and meaningful reductions in agriculture tariffs. Two, Brazil, India, and developing world countries must commit to serious and meaningful reductions in industrial tariffs. And three, our key trading partners must agree to open further their services markets.

Ambassador Schwab will also face serious challenges in our bilateral trade and economic relationship with China. China often makes promises — in the WTO and bilaterally — that it does not always keep. For instance, in April, China promised to lift its ban on U.S. beef. But China still has not done so, and it appears to be in no hurry.

In the coming months, I hope to work with Ambassador Schwab in creating a more sustained, structured, and comprehensive dialogue with China that allows the United States to hold China's feet to the fire on the promises that it makes. And we also need a better framework to seek out ways to cooperate more effectively on issues of mutual economic interest.

Ambassador Schwab will also be responsible for negotiating the most challenging free trade agreements to date. Agreements with Korea and Malaysia — our 7th and 10th largest trading partners respectively — hold great promise. But each presents unique and difficult issues that we must address in order to build political support for these agreements at home.

And that will be Ambassador Schwab's greatest challenge — building political support for trade at home. It is no secret that support for trade has evaporated. Since Congress granted this administration Trade Promotion Authority in 2002, Members have been asked to take a series of difficult votes on trade agreements with small countries of limited commercial value. Since that time, the concerns that Members of Congress have expressed about the administration's trade strategy have fallen on deaf ears. And since that time, support for trade among usually pro-trade constituents has waned considerably.

As a result, when Trade Promotion Authority expires next year, I do not think that Congress will renew it without major changes. I do not anticipate new fast-track authority until Congress, the administration, and all relevant stakeholders are willing to engage in a serious discussion. They need to answer the tough questions that remain unaddressed: questions relating to Trade Adjustment Assistance and other programs to help those who may be hurt by trade, questions about the role of labor in our trade agreements, and questions relating to the relationship between trade and a competitive U.S. economy.

These are hard issues. And Ambassador Schwab will have to face them head on. But I have full confidence that Ambassador Schwab has the skills, experience, and the guts to tackle them. Indeed, she spent most of the 1980s grappling with very similar issues when she worked for Senator Danforth in both the majority and the minority.

Nineteen years ago, the Washington Post described Susan Schwab as a "strategic thinker" and a "consensus builder." We need these skills at the U.S. Trade Representative, now more than ever.

I look forward to working closely with Ambassador Schwab. And urge my Colleagues to vote to confirm her today.

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