

**Statement of Dennis C. Shea**  
**Before the United States Senate Committee on Finance**  
**January 17, 2018**

Chairman Hatch, Ranking Member Wyden, and distinguished members of the Committee, it is a great honor to appear before you today. I am humbled by President Trump's decision to nominate me to serve as U.S. Ambassador to the World Trade Organization. I am particularly grateful to Ambassador Lighthizer for his confidence in recommending me for this position.

Before I go any further, I want to introduce my wife Elizabeth and our daughter Juliette. Elizabeth and Juliette are the two most important people in my life and I want to publicly thank them for their love and support.

As Ambassador Lighthizer stated during the recent WTO Ministerial in Buenos Aires, the WTO has done an enormous amount of good over the past 23 years. But as he rightly points out, the WTO needs to improve in a number of areas: Too many countries fail to live up to their WTO obligations without any consequence. Too many, including some of the world's wealthiest nations, seek exemptions from these obligations by claiming status as developing countries. The WTO has shifted from a forum with a focus on facilitating negotiation among sovereign states to a litigation-centered institution.

If confirmed, I expect that institutional reform at the WTO will be a major part of the U.S. agenda. Along these lines, the U.S. recently tabled a proposal that, if adopted, would bring about improved compliance by all WTO Members with the important transparency and notification requirements of the various WTO Agreements.

Let me note that, as a former staffer to Senator Bob Dole, I appreciate the critical importance of the agricultural sector to the U.S. economy. The United States is the world's leading agricultural exporter, with exports of food and other agricultural products supporting nearly 1.1 million full-time civilian jobs.

If confirmed, I will work with my Administration colleagues, including USTR's Chief Agricultural Negotiator, to pursue the objectives outlined by the Administration's Task Force on Agriculture and Rural Prosperity – namely, opening markets abroad to American agriculture, ensuring fair and science-based regulatory treatment for American products, and implementing strong enforcement policies that hold our trading partners to their WTO commitments.

As the committee knows, I have had the privilege of serving on the bipartisan U.S.-China Economic and Security Review Commission for more than 10 years. From 2012 to 2017, I served as either the Commission's chair or vice chair. I am very grateful to Senate Majority Leader McConnell for giving me this opportunity.

In its annual reports to Congress, the Commission has extensively documented China's continuing failure to abide by both the spirit and letter of many of its WTO obligations. Areas of concern include market access barriers, particularly in the services sectors; forced technology transfers; intellectual property theft on an unprecedented scale; indigenous innovation policies;

discriminatory use of technical standards; massive government subsidies that have led to chronic overcapacity in key industrial sectors; and a restrictive foreign investment regime. New challenges include the Made in China 2025 Plan and the country's growing digital protectionism.

In recent months, the Chinese leadership has sought to portray China as the prime defender of the global trading system when the reality, as reflected in China's compliance with its own WTO obligations, is quite different. While I intend to work constructively with my Chinese counterparts in Geneva, I am convinced that challenging the distortions created by China's mercantilist practices must be a top U.S. priority.

A critical issue now pending before the WTO is whether Members, including the United States, are legally obligated to treat China as a market economy under their own trade-remedy regimes. As both the USTR and U.S. Department of Commerce have made clear, China is and remains a non-market economy and should be treated as such. Bolstering support for this position within the WTO – a position also shared by the European Union – will be a critical task.

Let me close by saying that, if you send me to Geneva, I intend to wake up each and every morning asking myself these questions: What can I do today to advance American interests? What concrete steps can I take to improve the economic well-being of our nation's workers, farmers, ranchers, and businesses, both large and small?

You have my assurance that I will work closely with this committee and its staff not only to report about what is happening at the WTO but also to seek your input on key decisions. It will be a two-way street.

Mr. Chairman, Ranking Member Wyden, thank you for the opportunity to share these comments and I look forward to your questions.