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Hatch Opening Statement at Finance Hearing on U.S. Trade Agenda

USTR Ambassador Robert Lighthizer Testifies

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a Finance Committee hearing on the administration’s trade agenda:

Good morning and welcome to today’s hearing, during which we will discuss our nation’s trade policy agenda.

Thank you, Ambassador Lighthizer, for being here today. You were last before this Committee in June of last year, and the trade agenda looks quite different now than it did then. Let’s start with the North American Free Trade Agreement.

Negotiations with Canada and Mexico began on August 16th 2017. Since then, we’ve seen good progress toward modernizing the agreement. In particular, I want to congratulate you on closing a strong chapter on SPS measures that would benefit American farmers and ranchers.

But many crucial issues must be addressed before the negotiations can be brought to a successful conclusion.

Your first priority should be strengthening protections for America’s creators and innovators, in particular: strengthening copyright protection and enforcement provisions and creating disciplines to ensure that regulation does not undermine the market value of patented products.

It is essential that any agreement reached be fully enforceable through state-to-state and investor-state dispute settlement, and that market access gains, including in government procurement, are not weakened.

It is also important that you keep in mind that an updated NAFTA must be passed by Congress. That means that you must adhere to the negotiating objectives set out in the Trade

Promotion Authority law passed in 2015, and that you deliver an agreement that will be supported by Members who favor expanding trade with Canada and Mexico.

There is no other viable path to enact a modernized NAFTA.

Now, I want to change the subject a bit. Next up, I have to discuss what I consider to be a significant step in the wrong direction—the Administration’s imposition of steel and aluminum tariffs.

I am deeply disappointed in the decision to impose global tariffs to address a problem caused by China. Tariffs are taxes, and so I am concerned about the harm that this action will impose on American manufacturers and families. And I am astonished at the process—or, in reality, the lack thereof—for implementing the tariffs so far.

Ambassador Lighthizer, you have been tasked with working with our trading partners on exemptions from the new tariffs. These tariffs are slated to take effect about 14 hours from now. There is no clarity on country exemptions, and the recently announced process for product exclusions is prolonged and unnecessarily cumbersome.

As such, I am hoping that you can make clear what is happening on this front today.

Let me turn now to an issue that is squarely within your responsibility. I am deeply concerned about Chinese mercantilist policies that disadvantage U.S. companies, restrict U.S. exports and investment, and harm American workers. From the beginning of your tenure, you have identified Chinese theft of trade secrets and the forced transfer of American technology as significant problems that must be addressed.

That is why I supported and continue to support USTR’s Section 301 investigation.

But, as you know, my continued support is contingent on the President choosing an appropriate remedy. That remedy should be targeted specifically at the perpetrators and beneficiaries of China’s actions, and it must be part of a strategy to correct China’s technology policies. I look forward to your comments on this.

Finally, I welcome the Administration’s decision to seek a renewal of Trade Promotion Authority. I particularly welcome the President’s announcement that he would use an extension of TPA to aggressively negotiate new trade agreements.

I intend to use the extension process to get further details on your plan for expanding opportunities for American businesses overseas through new and ongoing negotiations, and to emphasize that these negotiations must be conducted consistent with the objectives set out in TPA. And I welcome any comments you have to offer on that today.

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