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Hatch Statement at Finance Hearing Examining the President's Trade Policy Agenda and FY 2018 Budget Request

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to examine the administration's approach to trade policy and its fiscal year (FY) 2018 budget request:

Good morning and welcome to today's hearing, during which we will discuss our nation's trade policy agenda as well as the FY2018 budget request for the U.S. Trade Representative.

Thank you, Ambassador Lighthizer, for being here today.

You have been in office for little more than one month, and we already have seen quite a bit of you here in the Senate. I take this as a good sign that you understand the importance of not only meeting with the Senate, but also listening to the advice that you receive and incorporating it into your negotiating positions. As you and I have discussed, following the letter and spirit of the Trade Promotion Authority statute is the only way to build the necessary support in Congress to execute the president's ambitious trade agenda.

Members of this committee are looking forward to inquiring about and discussing that agenda today.

As required by law, USTR issued its trade agenda report in March. Unfortunately, due to unnecessary and politically-motivated delays to Ambassador Lighthizer's confirmation, that report had to be issued before he took office.

Now that Ambassador Lighthizer is in office, today is an opportunity for him to update Congress on the administration's trade goals.

Like I said, President Trump has outlined an ambitious trade agenda.

That's a good thing.

The number one goal for the administration must be to build and maintain a healthy economy for American businesses, workers, and families. And that requires a trade policy that not only increases economic opportunities for American companies and consumers, but also holds foreign nations accountable when they abuse the system.

With that in mind, let me offer one piece of advice to the administration: When tackling trade challenges, you should stay focused on trade.

That might sound obvious, but, believe me, some tend to disregard that particular piece of advice.

I was very critical of the last administration for using American negotiating leverage to push a social agenda that was often more concerned with labor, environment, public health and other polices, than with improving the trade policy of our trading partners.

I hope that this administration, in contrast, will keep America's trade policy focused on trade.

I would be similarly concerned with the use of national security tools to achieve trade policy goals if doing so would risk undermining our national security capabilities. The president bears the responsibility for managing significant national security threats from North Korea, Iran, and elsewhere, and we must ensure that none of our nation's trade actions jeopardize the ironclad principle that the United States has the right to act in its essential security interests, including through sanctions, embargoes, and other economic measures.

Just as all national security options must remain on the table to address security threats, we must use the full range of trade policy tools to hold foreign nations accountable.

I expect and am confident that this administration will aggressively pursue enforcement at the World Trade Organization, utilize domestic trade remedy laws, combat intellectual property rights violations, and work to resolve market distortions in China and other countries.

Congress has provided the executive branch the tools necessary to pursue these objectives.

For example, Congress recently authorized the Enforce-Protect Act to target duty evasion, and passed legislation improving the effectiveness of the Special 301 mechanism and WTO-authorized retaliation measures. We also established a Chief Intellectual Property Negotiator, a Trade Enforcement Trust Fund, and the Interagency Center on Trade Implementation, Monitoring, and Enforcement. All of these provisions were intended to give

our nation's trade enforcers and negotiators the tools that they need to ensure that our trading partners follow the rules.

Ambassador Lighthizer, I am interested in hearing your views on how USTR and the administration will use these and other existing trade authorities to challenge the improper practices of foreign countries, and what additional resources, if any, might be needed in order to best utilize these tools.

Of course, ensuring that our trading partners follow the rules is only part of the equation. Establishing those rules also is in our national interest.

Toward that end, the upcoming negotiations with Canada and Mexico provide the administration with a unique opportunity to improve North American integration. This will make the region a more attractive investment and manufacturing hub and serve as a counterweight to China.

Looking further ahead, the administration must build upon a stronger North American base to expand opportunities for American businesses, consumers, and workers in the Asia-Pacific region, including through bilateral free-trade agreements.

The administration is focused on addressing global trade imbalances, and history has demonstrated that the best way to address those imbalances is through U.S.-led free-trade agreements.

Currently, the United States has free-trade agreements with 20 individual countries, and in 2015, the overall U.S. trade surplus with those countries was more than \$8 billion.

Long story short, the best way to ensure a strong U.S. economy through trade is to negotiate deals with foreign nations that require them to play by our rules, and allow us to hold those countries accountable when they fail to do so.

That is what I believe President Trump wants, and I encourage you, Ambassador, to utilize the authorities provided under the TPA statute to achieve those goals.

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