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Market Access and Compliance in the International Trade Administration
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Mr. Chairman, Senator Baucus, and distinguished Members of the Committee, thank you for the opportunity to appear before you today.

First, I would like to introduce my wife, Catherine, who has shared with me more of her love, intelligence, and kindness than I could have imagined. Our children Kate and Charlie are also here, who constantly fuel my imagination for the better world we are all working to create.

I would also like to recognize my fellow nominees here on the panel, and, if confirmed, I particularly look forward to working with David Spooner at the Department of Commerce to vigorously enforce our trade agreements and ensure our partners are playing by the rules.

It has been a privilege to serve the President and the American people in the Office of Policy and Strategic Planning of the U.S. Department of Commerce for the past three years. I am honored to be President Bush's nominee to serve as Assistant Secretary of Commerce for Market Access and Compliance, and I am most grateful to Secretary Gutierrez and Deputy Secretary Sampson for their confidence and support.

Mr. Chairman, as a Commerce official and a businessman, I have helped U.S. companies navigate the international marketplace. I have seen first-hand the marvels of American productivity and the opportunities we have in working with the 95 percent of the world's population that does not have the blessing of living in this great Nation. Collectively, my experiences have instilled in me a strong belief in the power of the American free enterprise system.

The United States enjoys the most successful, competitive, diverse and innovative economy in the world. The United States maintains the most open major economy in the world. These are not unrelated. The record is clear. The United States remains a beacon of freedom and prosperity because it remains committed to working with people and products from all over the world. According to a study by the Institute for International Economics, U.S. annual incomes are approximately \$1 trillion higher, or \$9,000 per household, due to trade.

Exports are a key driver of exceptional growth in the U.S. economy and excellent jobs for U.S. workers. One out of six jobs in the United States depends on trade, and all consumers enjoy the benefits. In factories and farms, through ports and Internet portals, Americans are competing and winning in the global marketplace. Opening new markets around the world and promoting free and fair trade will allow our workers to prosper in

the years ahead. If confirmed, I will ensure that those who would enjoy the benefits of working with Americans understand their responsibility to allow our workers and companies to compete on a level playing field.

At the dawn of the 20th century, our national economy was integrating, paving the way for unparalleled opportunity, freedom and prosperity. As the 21st century begins, integration of the global economy holds unprecedented potential. The nations of the world must promote the prosperity of their people through joining the United States in advancing international economic freedom and cooperation. Every day, in every part of the Nation and the world, more people experience the benefits of trade.

Voluntary exchange is the heart of the free market. Billions of exchanges occur every day, with each party expecting to gain from the transaction. In theoretical terms, trade is a non-zero activity. Simply put, the more exchange the better.

More than merely goods and services are exchanged. For centuries, all great civilizations have allowed commerce, art and ideas to flow across borders to the betterment of all. These interactions have promoted tolerance and understanding between cultures in innumerable ways, and governments have encouraged peace and prosperity through promoting these exchanges.

Despite these clear gains, obstacles remain. Total elimination of global barriers to trade in goods and services could ultimately increase annual incomes to the average U.S. family of four by an estimated \$7,800. In addition, the elimination of global trade barriers could lift up to 500 million of the world's poor out of poverty over the next fifteen years.

Traditionally, tariffs were the key impediment to trade. The United States has led the way in lowering these barriers, and today, for most products, tariffs are not as significant as they once were. While continuing to lower tariffs, other important barriers must be addressed in the years ahead. Intellectual property must be respected and protected, not unfairly reproduced or pirated. Standards must harmonize the needs of consumers and firms rather than promote protectionism. Health and safety regulations must be based on rational analysis instead of fear of competition. Business decisions must rely on the rule of law, not capriciousness. Finally, we must ensure that trade improves the lives of those who produce, rather than enrich corrupt cabals.

The true wealth of nations comes from the productivity of its people and the resources it has available. Seeking to isolate an economy or hoard resources has never led a country to prosperity. America has led the way in showing that democratic and economic freedoms generate opportunities. Creating a level-playing field for American workers unleashes innovation and unlocks human resources around the world, bringing freedom and prosperity for all.

If confirmed, I will work tirelessly to obtain market access for American firms and workers and to achieve full compliance by foreign nations with trade agreements they

sign with our country. Market Access and Compliance officers will continue to work with Congress and other United States government agencies to help U.S. businesses overcome barriers to trade and investment. This extraordinary group of men and women remain committed to working to level the playing field for American goods and services and moving our economy and people forward. With your support, I would be honored to lead this dedicated and talented team.

If confirmed, I commit myself to ensuring that Americans are able to pursue prosperity and promote freedom around the world. Today, I reaffirm the words of Cordell Hull, a Senator who later became President Franklin D. Roosevelt's Secretary of State, who said, "I have never faltered, and I will never falter, in my belief that enduring peace and the welfare of nations are indissolubly connected with friendships, fairness, equality and the maximum practicable degree of freedom in international trade."

Thank you for your time. I would be happy to answer any questions the Committee may have.