

Questions for the Record
Francisco Sanchez
Nominee for
Under Secretary for International Trade

Questions from Chairman Max Baucus

QUESTION:

I fully support the President' goal of doubling U.S. exports in the next five years, and the Commerce Department will play a central role in this effort through the recently announced National Export Initiative.

As you look to expand export promotion programs, you must focus on how to help small businesses, including those in rural states like Montana. You can do this by ensuring your export promotion programs are accessible and affordable to American businesses of all sizes. What concrete steps will you take to make sure small businesses get the export assistance they need, particularly in rural areas?

I would also like you to establish benchmarks to monitor the progress the Commerce Department is making toward meeting the President's goal of doubling U.S. exports in the next five years. Will you commit to establishing such benchmarks and submitting biannual reports to me describing your progress in meeting these benchmarks?

ANSWER:

If confirmed, I will work hard to ensure that the International Trade Administration's (ITA) export assistance programs are accessible to all American businesses, especially small and medium enterprises located in rural areas. I will reinforce the efforts of ITA's US and Foreign Commercial Service (US&FCS) to reach out to businesses located in rural areas to assist them with exporting. From FY09 to the present, ITA has conducted 212 events and activities targeted to rural companies. For example, ITA's Montana US Export Assistance Center (USEAC) works with rural companies on a regular basis. Total Baking Solutions, Inc., of Roundup, Montana, is a leading manufacturer of high-quality baking-related equipment. The Montana USEAC counseled the company on NAFTA rules of origin, the Harmonized Commodity Description and Coding System, the customs clearance process, and export licensing provisions. With this help, Total Baking Solutions completed sales of nearly \$1.2 million to Canada.

In addition, in 2008, US&FCS enhanced its ability to serve SMEs by making its services more affordable, establishing a single worldwide fee for standard services that includes incentives for companies that are new to exporting. Qualifying new-to-export companies that use standardized US&FCS services for the first time may receive up to a 50 percent discount. If confirmed, I am committed to working with the Committee to ensure that Congress is fully informed about progress, including the development of appropriate benchmarks and performance metrics, to meet the President's goal of doubling exports over five years.

QUESTION:

I have long been concerned about the effect of Chinese subsidies on the competitive position of U.S. producers. In 2007, the Commerce Department decided to apply countervailing duties to Chinese products to counteract the negative effect of subsidies. I supported Commerce's decision. And in 2007 I introduced trade enforcement legislation to codify this decision.

What is your view on that legislation, or similar legislation codifying the Department's practice? Do you commit that Commerce will continue its practice of applying countervailing duties to subsidized Chinese imports during your tenure?

ANSWER:

It is my understanding that the Commerce Department may apply the countervailing duty law to U.S. imports from China under existing legal authority and has been doing so since 2006. I assure you that, if confirmed, I will do all that I can to see that Commerce continues its practice of enforcing the unfair trade laws with respect to dumped or subsidized imports from China.

QUESTION:

Mr. Sanchez, the Office of Textiles and Apparel (OTEXA) within the Import Administration has taken a position on the Dominican Republic Earned Import Allowance (EIA) trade preference program that is contrary to the intent and plain language of the legislation and the interest of U.S. companies. OTEXA has unilaterally required that all U.S. wholly formed fabrics eligible for this program must also be dyed and finished in the U.S. rather than allowing them to be dyed and finished in the U.S. or in our trading partner countries. OTEXA solicited and received public comments on this issue by May 4, 2009, but has taken no further action in nearly a year. What is your position on this issue, and how will you work to ensure this trade program is implemented in accordance with the intent of Congress and in an effective and timely manner?

ANSWER:

It is my understanding that Commerce has interpreted the requirements of the Dominican Republic Earned Import Allowance trade preference program consistent with similar trade preference programs, and that importers and U.S. manufacturers are benefitting from the program. I understand, however, that parties have raised questions about Commerce's interpretation of the legislation. I am mindful of the import of this issue and am aware that all parties are interested in the outcome of Commerce's implementation review and want to ensure that the EIA Program is implemented in a way that does not undercut its effectiveness. If confirmed, I will look into this matter closely in order to ensure that the concerns of all stakeholders are considered.

Questions for the Record
Francisco Sanchez
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Questions from Ranking Member Chuck Grassley

QUESTION:

I'm growing increasingly concerned about China's trade policies. Some of the issues are longstanding, like China's manipulation of its currency exchange rate. Other issues are newer, but just as serious. For example, China is implementing "indigenous innovation" policies that place U.S. firms at a competitive disadvantage. Software piracy is another serious problem that is costing U.S. firms billions of dollars each year.

It appears that the Chinese government is engaging in a deliberate industrial policy to disadvantage foreign firms in the Chinese market and to give Chinese firms an unfair advantage in the rest of the world.

The Administration needs to make these issues a priority in our bilateral relations. If you are confirmed, what will you do to help resolve them?

ANSWER:

I am committed to ensuring that American goods and services can be exported to the growing and important Chinese market, that U.S. companies and their products are able to compete on a level playing field in that market, and that Chinese companies compete fairly in the U.S. market. If confirmed as Under Secretary, I will continue to use existing dialogues and diplomacy to press on these issues and to actively promote the export of American goods and services. At the same time, I will not hesitate to enforce the trade laws, and will work with other U.S. Government agencies to make full use of all of the tools available to us to ensure that China complies with its international trade obligations.

QUESTION:

The conference report to the most recent Commerce-Justice-Science appropriations legislation instructed the Department of Commerce to prepare a report on the relative advantages and disadvantages of prospective and retrospective antidumping and countervailing duty systems.

This is an issue that interests me. It is potentially relevant to the zeroing issue that is costing us so much time and effort at the World Trade Organization. I understand that the Department's report is due in June.

Can you assure me that, if you are confirmed, you will submit copies of the report to this Committee?

What are your views with respect to the zeroing issue? What are your views regarding our experience to date with dispute resolution proceedings at the World Trade Organization?

ANSWER:

If confirmed, I will ensure that the Department submits this report to Congress, including copies to your Committee.

With respect to zeroing and dispute resolution, it is my understanding that, taken as a whole, the WTO dispute settlement system has worked well for the United States. Nevertheless, there are some areas in which the dispute settlement system may not have performed as well as others, including in the trade remedy area. I am very concerned that on certain issues, including zeroing, it appears that panels and the Appellate Body seem to be creating obligations that were not agreed to by WTO Members. If confirmed, I will work closely with USTR to ensure that all appropriate steps are being taken so that WTO panels and the Appellate Body respect the texts of the agreements and adhere to the agreed upon standard of review.

QUESTION:

I am concerned that this Administration's new focus on export promotion comes as a distraction to the most immediate step we can take to promote U.S. exports, which is to implement our trade agreements with Colombia, Panama, and South Korea.

We all want to see more exports. But that doesn't justify throwing more money and earmarks at export programs. I'm particularly concerned when I learn that the President's new National Export Initiative has been budgeted, and yet the participating executive departments still have 180 days to submit detailed plans to the President on how such monies would be spent.

Most bureaucracies will find a way to spend money if they're told to spend it. That doesn't make it good policy. With unprecedented budget deficits forecast for years to come, it's more important than ever that we scrutinize any proposals for increased spending.

How can the International Trade Administration use existing resources and funding levels to better meet the needs of U.S. exporters?

ANSWER:

I agree that it is important that federal programs – particularly export promotion programs – deliver results for the American people and the economy overall. One of the primary missions of the International Trade Administration is to promote US exports. If confirmed, I will work to ensure that ITA's current FY10 budget – and any future additional resources – are spent wisely and maximize job creation. At present, ITA is reviewing and realigning its programs in support of the President's export goals. As part of this effort, ITA will regularly report on the value of export successes; the number of new-to-market firms; and the value of advocacy wins.

It is envisioned that the Department's 180-day plan will closely mirror the detailed plans included in ITA's FY11 budget request to the President. ITA's FY11 budget proposal includes a detailed spending plan and performance measures. If confirmed, I will work hard to ensure that the President's National Export Initiative and the ITA's export promotion program expand US exports and support US job creation.

The Administration's approach to increasing exports and creating jobs includes support for the three pending free trade agreements. Like you, I support their implementation, and if confirmed, I will work with USTR to ensure their passage.

Questions for the Record
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Questions from Senator Jay Rockefeller

QUESTION:

I understand that a number of requests for FTZ subzones have targeted the antidumping relief that protects a domestic manufacturer in my state and its workers. Approval of the first such request led to 85 lost jobs, as the applicant used its ability to avoid paying duties on dumped silicon metal entering the subzone to leverage down prices and replace domestic product with imports.

The Board's regulations contain the following policy statement: "Board policy. Zone procedures shall not be used to circumvent antidumping (AD) and countervailing duty (CVD) actions under 19 CFR parts 353 and 355." 15 C.F. R. § 400.33(b)(1).

The regulations also require the Board to deny or restrict authority for proposed activity if the activity is inconsistent with U.S. trade and tariff law, or policy formally adopted by the Executive Branch. 15 C.F.R. § 400.31(b).

(1) In light of this provision and the Board policy quoted above, doesn't the Board have an obligation to reject applications for subzones that are going to be used to escape paying AD (or CVD) duties (or prohibit their use for this purpose), where approving the applications could harm U.S. suppliers (for example, by causing lost sales and job losses for their workers).

(2) What is your position as to whether the Board should approve subzones requested for the purpose of avoiding payment of AD (or CVD) duties on unfairly traded imports if the product produced from the dumped or subsidized imports is exported, and the approval would have a negative impact on domestic suppliers (e.g., cause lost sales and job losses)?

ANSWER: (addresses both questions)

I understand that any foreign trade zone (FTZ) situation that would cause lost jobs or lost sales for a domestic supplier would be of serious concern. I understand that the FTZ Board held a public hearing on these FTZ subzone applications in September 2009, and that the Board is required to consider carefully all of the policy and economic issues and arguments raised. If confirmed, I can assure you that I will examine this issue very carefully.

QUESTION:

On issues like “zeroing”, the WTO appellate body has taken an expansive view its mandate to invalidate U.S. practices and laws that are important in combating unfair foreign trade practices, and ensuring a level trade playing field for U.S. industry. The Administration has taken some steps to restore the importance of trade enforcement so that Americans can begin to believe that trade can be a two way street that benefits them. What is your plan to work within the Administration and at the WTO to achieve this important objective of ensuring the U.S. can effectively implement our trade enforcement rules and regulations?

ANSWER:

I understand that many concerns exist with regard to recent WTO Appellate Body (AB) decisions in which the AB seems to have over-reached and invented new obligations to limit the use of antidumping measures, when such obligations were never agreed to by WTO Members. If confirmed as Under Secretary, I will explore all options to address this crucial issue such that our trade laws continue to provide domestic industries the opportunity to obtain effective relief when they have been injured by dumping.

I also believe that zeroing is a matter that must be addressed by WTO members. I recognize that the WTO disputes on zeroing and the on-going Doha negotiations are two distinct processes, but the U.S. government’s experience with the WTO dispute challenges regarding zeroing makes it clear that there is a need to address this issue in the context of multilateral negotiations.

If confirmed as Under Secretary, you have my commitment to work tirelessly to ensure that our trade laws are vigorously enforced and continue to provide an effective remedy for unfair trade practices.

QUESTION:

I understand the Administration intends to send several Free Trade Agreements (FTAs) to the Senate for ratification. I believe it is the Administration’s position that FTAs open up markets to U.S. exports and provide a set of rules for the two countries to adhere to in their trading practices. However, as you know, there are concerns that some requirements of FTAs are fully implemented by the non-U.S. party. What measures will you take to ensure that our agreements are being enforced?

ANSWER:

If confirmed, the strict enforcement of existing trade agreements will be one of my top priorities. The International Trade Administration (ITA) is uniquely positioned to carry out this task. ITA’s Market Access and Compliance (MAC) unit works closely with USTR to ensure that US trading partners fully meet their obligations under existing trade agreements. ITA’s Import Administration enforces U.S. unfair trade laws (i.e., the anti-dumping and countervailing duty laws). If confirmed, I will ensure these two ITA units vigorously pursue these responsibilities, and I commit to using all available tools to ensure compliance with trade agreements and laws.

Questions for the Record
Francisco Sanchez
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Questions from Senator Jim Bunning

QUESTION:

Mr. Sanchez, as I am sure you are aware, China's practice of devaluing its currency acts as a trade subsidy by making Chinese products artificially cheap and U.S. products artificially expensive. A number of U.S. companies have asked the Commerce Department to look into whether China's behavior is a trade subsidy that would be eligible for countervailing duties, but thus far Commerce has refused to even investigate this possibility. In your role as Under Secretary, what would you do specifically to ensure that American workers and businesses are not being cheated by currency manipulation?

ANSWER:

I appreciate your concerns and understand that this is a very important issue to you and your constituents. This is also an important issue for the Administration. I am aware that the Commerce Department is currently analyzing a subsidy allegation regarding China's currency practices in an ongoing countervailing duty investigation. I want to assure you that, if confirmed, I will closely review any such subsidy allegation. As I have stated, I am fully committed to the vigorous enforcement of our trade remedy laws.

QUESTION:

Some constituents have alerted me that there has been a dramatic spike in evasion of antidumping and countervailing duties, particularly by China. This is being done through transshipment and sometimes falsified documents about the country of origin. It is incredibly frustrating for the U.S. companies that spent time and resources going through the process and proving their case, that now these orders are being deliberately evaded and our government is doing nothing to stop it. What specific steps would you take, if confirmed, to ensure that existing antidumping and countervailing duty orders are actually enforced?

ANSWER:

If confirmed, the strict enforcement of our trade laws will be one of my top priorities, and I assure you that any evidence pointing to possible fraudulent activity will be addressed quickly.

I understand that Import Administration takes allegations of transshipments and the submission of false information and documentation seriously, and works closely with other government agencies to investigate such allegations and deter the evasion of antidumping and countervailing duties.

QUESTION:

Regarding the same issue, it is my understanding that many of the U.S. companies that have been victimized by these violations have been forced to spend additional resources monitoring compliance, which should be the responsibility of Commerce and U.S. Customs. If confirmed, will you make enforcement of antidumping and countervailing duties a priority, and will you examine additional steps the Commerce Department can take to prevent transshipment through third countries in order to avoid these duties?

ANSWER:

I understand that Import Administration and U.S. Customs and Border Protection endeavor to the best of their abilities to coordinate on enforcement and monitoring, and addressing reports of transshipments through third countries.

If confirmed, I will continue to make enforcement of antidumping and countervailing duty orders a top priority, and look into improving Commerce's coordination process in identifying and addressing allegations of transshipments and evasion of antidumping and countervailing duties.

QUESTION:

I have heard concerns from stainless steel pipe companies in Kentucky about the Commerce Department's use of inferior data to determine surrogate values in an antidumping case. Specifically, I am told that Commerce used stainless steel used for tableware rather than the expensive grade stainless steel that is used to make stainless steel pipe products. Can you please look into this matter and provide me with an explanation of why the Commerce Department used this data. And if you are confirmed, will you commit to administer trade laws in a transparent and efficient manner, according to your statutory authority?

ANSWER:

If confirmed, I will look into this matter further and ensure that Import Administration continues to administer the antidumping and countervailing duty laws in a transparent and efficient manner, in accordance with U.S. law and our international obligations.

Questions for the Record
Francisco Sanchez
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Questions from Senator Blanche Lincoln

QUESTION:

I was heartened to hear President Obama declare in the State of the Union Address that he is setting a goal of doubling our exports within five years. To achieve that end he announced a new National Export Initiative (NEI), which would be a government-wide effort geared toward achieving this goal. Since the Department of Commerce has been given the reigns to steer this initiative through the government structure, if confirmed, your position will place you at the crux of these efforts.

I applaud this initiative and I have signed a letter praising the President for taking up export promotion as a critical goal of his administration. Yet the American public, and among them the citizens of Arkansas, seek assurances that part and parcel with doubling our exports would be the creation of jobs back home. Please describe the tools you would use to measure this initiative's success and the process you will employ to calculate the expansion of our exports, particularly with respect to job creation.

ANSWER:

I remain committed to working with the Committee to ensure that Congress is fully informed about progress towards meeting the President's goal of doubling exports over five years. As you note, the Commerce Department has a key role to play in the execution of the President's National Export Initiative, and if confirmed, I will work with other members of the President's Export Cabinet to ensure the right tools and measures are in place to measure our progress and success in meeting the President's goals.

QUESTION:

Each of the departments and agencies in the Export Cabinet was given 180 days to submit a detailed plan to the President which will describe how it will enhance American exports. As a key member of this cabinet and of the Trade Promotion Coordinating Committee, the Department of Commerce would be placed at a unique position of overseeing what will be an unprecedented effort to hone in on crucial goals that should and could be achieved, and on the measures that must be applied to accomplish them.

If confirmed to this position, I would ask you to commit to briefing the committees of jurisdiction in both the Senate and House on the direction of the initiative's implementation, and that you consult with its members to ensure that the legislature is informed of the process and is informing it in turn.

ANSWER:

If confirmed, I commit to briefing and working with the committees of jurisdiction in both the Senate and the House on implementation, ensuring that Congress is fully informed about progress towards meeting the President's National Export Initiative goals.

QUESTION:

If confirmed, one of your main assignments would be to lead the International Trade Administration (ITA), which among other things oversees the enforcement of U.S. antidumping (AD) and countervailing duty (CVD) laws. As a fervent advocate of free trade I see the critical importance of AD and CVD laws in deterring and punishing unfair practices employed by some of our trading partners. Millions of American jobs depend on the vigorous application of these laws as the gate keepers against the flooding of our markets with cheap goods from countries who illegally subsidize their industries and seek to eliminate our manufacturing industries.

One such industry is steel, which accounts for thousands of jobs in the state of Arkansas alone. As you know, the steel industry has been the victim of consistent unfair trade practices employed by China, whose companies have been subsidized by their government and have been found as dumping their products in our markets, forcing plants to remain idle and even shut down. Last December I appeared before the International Trade Commission (ITC) to seek relief and redress against these grievances, and indeed the ITC ruled in our favor, declaring that our industry had been damaged by such practices.

If confirmed, what measures will you employ to identify, counteract and prevent countries like China from cornering markets by dumping their goods and using illegal subsidies?

ANSWER:

Unfair trade practices, including those of China, can be a significant impediment to the competitiveness of U.S. industry. Identifying and addressing these practices are extremely important. If confirmed, I will vigorously enforce the U.S. antidumping and countervailing duty laws. I also pledge to work with U.S. businesses that may be injured by unfair trade practices in order to identify and address the impediments they face in trading both in our market and in those abroad, including China. I will work to engage our trading partners, including China, on our respective responsibilities under global trading rules and do my best to work with my counterparts in related agencies to resolve any trade problems that arise affecting our domestic industries.

QUESTION:

The Department of Commerce is scheduled to debate in March and release in April its findings in an important antidumping investigation into illegally dumped imports of Oil Country Tubular Goods (OCTG) from China. This is a critical issue since the U.S. has imported Chinese OCTG worth two billion dollars in 2008 alone. At a time when the link between trade law enforcement and American jobs is quite clear, these findings could

seriously impact the American steel industry and in particular two plants in Arkansas which specialize in manufacturing OCTG.

I seek your assurances that the Department of Commerce will adhere to its mandate and will identify and react to dumping practices vigorously, in a timely manner, and as prescribed by law, so that our industries remain protected from illegal trading practices.

ANSWER:

If confirmed, I will ensure that ITA's antidumping and countervailing duty investigations are conducted in strict accordance with our laws and regulations, to ensure U.S. producers and workers have a level playing field on which to compete with their foreign counterparts.

QUESTION:

In your statement before this committee you set to accomplish several goals, one of which being the introduction of U.S. exports to developing markets around the world. The products grown and produced in Arkansas would greatly benefit from such an expansion of trade. The rice, cotton, poultry and pork produced in my state can surely help feed and clothe hundreds of millions of people, while providing billions of dollars in revenue and creating or supporting hundreds of thousands of jobs in Arkansas, let alone in the rest of the United States.

I believe that one such developing nation should be Cuba. For nearly 50 years our country has placed an embargo on that island, yet now we have a unique opportunity to open a new leaf by establishing trade relations that would allow our agricultural exports to enter that nation. Cuba imports 80% of the rice it consumes, and no country is better placed to fill that demand cheaply and efficiently – while reaping billions of much needed dollars annually – than the United States.

If confirmed, would you seek to influence the administration to remove the barriers that prevent our exports from entering Cuba, before that market is taken over by Asian competitors such as China and Vietnam?

ANSWER:

If confirmed, I will work to ensure that the current policy toward Cuba remains focused on meeting the needs and aspirations of the Cuban people. The President has stated his intent to keep the embargo in place as a source of leverage to support a peaceful transition to democracy, reflecting the broad hemispheric commitment to democracy and human rights, as expressed in the Inter-American Democratic Charter. To encourage positive changes in Cuba, last year President Obama directed that a series of steps be taken to enhance the free flow of information and promote contact between Americans and their relatives who reside in Cuba.

Questions for the Record
Francisco Sanchez
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Questions from Senator Ron Wyden

QUESTION:

Creating the conditions for American businesses of all sizes to grow, including fighting for a level playing field on which to compete in foreign markets, is important to help get the economy back on track. Equally important is making sure that foreign companies selling products in our market play by the rules and not engage in unfair trade practices. Unfortunately, as you're aware, this is not always the case. Although we have trade laws that protect American businesses from unfair trade practices, I find it troubling that some foreign producers and importers flagrantly violate these laws and evade the very duties that are put in place to level the playing field.

Given that the International Trade Administration has requested additional resources for FY 2011, in what ways would these new resources be used to strengthen the enforcement of antidumping and countervailing duty orders with respect to the circumvention or evasion of AD/CVD?

ANSWER:

I believe effective enforcement of our trade laws does not necessarily end with the imposition of an antidumping or countervailing duty order. If confirmed, I will look closely into this matter to ensure that optimal resources are used to enforce the U.S. antidumping and countervailing duty laws by working closely with my counterparts at relevant agencies to provide the necessary information in order to avoid circumvention or evasion of antidumping and countervailing duties.

QUESTION:

The Import Administration is responsible for enforcing our nation's unfair trade laws (antidumping and countervailing duty laws). In order to effectively enforce these laws, the Import Administration relies on the collection of factually correct and accurate information from respondents. However, serious concerns have been raised by U.S. industry about repeated instances of the submission of false documents by respondents in Department proceedings, including onsite verifications.

What measures does the agency have in place to ensure that false information is rejected and the appropriate action is taken to penalize individuals who make false statements or submit false documentation to the government?

ANSWER:

I understand that Import Administration takes the submission of false information and documentation seriously, and works closely with other government agencies with regard

to allegations of fraud. If confirmed, the strict enforcement of our trade laws will be one of my top priorities, and I assure you that any evidence pointing to possible fraudulent activity will be addressed quickly.

Questions for the Record
Francisco Sanchez
Nominee for
Under Secretary for International Trade

Question from Senator Chuck Schumer

QUESTION:

What do you think should be done about China's continued failure to reform its currency policies? Is there any single policy that would be better for American job creation in the long run, and do more to help revitalize our export industries and rebalance our economy, than dealing head-on with countries with fundamentally misaligned or manipulated currencies? If there's something with a bigger effect, what would that be?

ANSWER:

I appreciate the concerns that you have raised regarding China's currency practices. This is an important issue for the United States, as the President has stated. The Department of the Treasury is responsible for matters related to foreign currency, and if confirmed, I will work closely with the Department on these issues. I believe that there is much that the government can do to encourage and increase US exports, and if confirmed, I will work tirelessly to ensure that ITA's export promotion programs support the President's goals laid out in the National Export Initiative.

Questions for the Record
Francisco Sanchez
Nominee for
Under Secretary for International Trade

Questions from Senator Debbie Stabenow

QUESTION:

Last year, our trade deficit in goods with China was \$227 billion – the fifth year in a row that this critical deficit has exceeded \$200 billion. This enormous imbalance is due in large part to unfair practices including heavy Chinese subsidies, theft of intellectual property and currency manipulation. Manufacturers in Michigan have many challenges these days, but one of the biggest is being forced to compete against Chinese manufacturers who get a big subsidy from China's undervalued currency. So far our government has been unable to take meaningful steps to address this ongoing and severe problem. However, the Commerce Department can address this practice under the countervailing duty law, by investigating to determine China's currency results in a subsidy. Yet, it has chosen not to. What are your views on whether Commerce can initiate a case based on a proper allegation of currency manipulation?

ANSWER:

I appreciate the concerns that you have raised regarding China's currency practices, and I understand this is a very important issue to you and your constituents. This is also an important issue for the Administration. I am aware that the Commerce Department is currently analyzing a subsidy allegation regarding China's currency practices in an ongoing countervailing duty investigation. I want to assure you that if confirmed, I will closely review any such subsidy allegation. As I have stated, I am fully committed to the vigorous enforcement of our trade remedy laws.

QUESTION:

As we all know, increasing exports depends on our access to other countries' markets. For the U.S., this means eliminating foreign subsidies, tariffs, non-tariff barriers, raw material export restrictions and other trade barriers. But as has often been the case, manufacturers concerns have been ignored. If confirmed, what steps will you take to ensure that U.S. manufacturing is a priority?

ANSWER:

If confirmed, one of my top priorities will be to eliminate unfair foreign barriers to trade. Each trade barrier represents lost opportunities for American companies to expand their production or service capabilities, hire additional workers, or pursue investment opportunities. Enhancing ITA's capacity to identify and address trade barriers in support of U.S. companies is essential to U.S. economic growth and prosperity.

ITA's trade and industry specialists work directly with U.S. manufacturers and service providers on issues such as subsidies, dumping, intellectual property rights, government procurement, and standards. U.S. firms also receive counseling and guidance if injured by unfairly traded imports or for U.S. exporters subject to foreign trade remedies. Trade and industry experts in headquarters work closely with their ITA colleagues posted overseas, as well as other U.S. agencies involved with trade and international relations, to build cases and success milestones for companies seeking to overcome trade barriers.

If confirmed, I will ensure that eliminating barriers to our manufacturing and services exports remain a central priority for ITA staff. I will also work with the Congress to ensure that our manufacturing firms know that they have in ITA an advocate that has their back when they enter a foreign market.

One key step in ensuring that manufacturing is a priority is having ITA's Assistant Secretary for Manufacturing and Services in office and on the job. In fact, the day after her confirmation, Assistant Secretary Nicole Lamb-Hale led a trade mission of 24 companies to Algeria and Libya. Developing markets like Algeria and Libya pose great opportunities for U.S. manufacturers. But opening markets is only part of the picture. ITA needs to support efforts by U.S. manufacturers to be competitive. For example, Manufacturing and Services is already working on a series of Sustainable Manufacturing American Regional Tours (SMART) that focus on "greening" domestic manufacturing processes and supply chains, allowing our manufacturers to realize cost savings, ultimately making them more competitive – and able to create and sustain jobs. Connecting our manufacturers with federal programs and resources, such as data and trade finance guide, can assist them in making sound strategic decisions.

If confirmed, I will work with Assistant Secretary Lamb-Hale to continue these and other efforts to promote U.S. manufactured goods and ensure that the United States remains a nation that makes and builds things.

Questions for the Record
Francisco Sanchez
Nominee for
Under Secretary for International Trade

Question from Senator Tom Carper

QUESTION:

Mr. Sanchez, I understand that in your role as Under Secretary you will oversee the Department's administration of the trade laws and enforcement of the agency's statutory authority on these matters. The 1988 Trade Act included a provision to allow parties to file circumvention petitions if they believed that importers were attempting to avoid paying duties on imports that were changed in a minor way from the goods already subject to the order. Over the years a number of these filings have been made to the Department. In the recent case on cut-to-length plate from China, I understand that now on two occasions the domestic industry has filed petitions to prevent circumvention of these duties. Petitioners who joined in filing this request are concerned that they may have to undertake these filings repeatedly and the evasion of duties will prevent them from receiving the full relief from the order in place.

In the past 15 to 20 years the Department of Commerce must have experienced other enforcement problems. How would you address this issue so the problem can be corrected?

ANSWER:

I believe effective enforcement of our trade laws does not necessarily end with the imposition of an antidumping or countervailing duty order. If confirmed, I will ensure that Commerce works closely with the domestic industry and Customs and Border Protection to quickly address any circumvention issues that arise. I am committed to the full and vigorous enforcement of our trade laws.