

**NOMINATIONS OF JOSEPH H. GALE, MICHAEL
W. PUNKE, ISLAM A. SIDDIQUI, PAUL PIQUADO,
AND DAVID S. JOHANSON**

HEARING

BEFORE THE

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

JOSEPH H. GALE, TO BE A JUDGE OF THE UNITED STATES TAX COURT;
MICHAEL W. PUNKE, TO BE DEPUTY UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR; ISLAM A. SIDDIQUI, TO BE CHIEF AGRICULTURAL NEGOTIATOR, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE; PAUL PIQUADO, TO BE ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION, DEPARTMENT OF COMMERCE; AND DAVID S. JOHANSON, TO BE A MEMBER OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION

SEPTEMBER 12, 2011



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ADMINISTRATION, DEPARTMENT OF
COMMERCE; AND DAVID S. JOHANSON,
TO BE A MEMBER OF THE UNITED STATES
INTERNATIONAL TRADE COMMISSION**

MONDAY, SEPTEMBER 12, 2011

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 4:07 p.m., in room SD-215, Dirksen Senate Office Building, Hon. Max Baucus (chairman of the committee) presiding.

Present: Senators Hatch, Grassley, Cornyn, and Thune.

Also present: Democratic Staff: Russ Sullivan, Staff Director; Ayesha Khanna, International Trade Counsel; Chelsea Thomas, Professional Staff Member; Michael Smart, International Trade Counsel; Tiffany Smith, Tax Counsel; and Gabriel Adler, Senior International Trade and Economic Adviser. Republican Staff: Chris Campbell, Staff Director; Nick Wyatt, Tax and Nomination Professional Staff Member; Everett Eissenstat, Chief International Trade Counsel; Paul Delaney, International Trade Counsel; Rebecca Nasca, International Trade Staff Assistant; and Ryika Hooshangi, International Trade Counsel.

**OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR
FROM MONTANA, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. The committee will come to order.

President Woodrow Wilson once said, "There is no higher religion than human service. To work for the common good is the greatest creed."

Today we consider the nominations of five devoted public servants who will work for the common good. Four of you have been asked to help move our Nation's trade agenda. By moving this agenda, we will open foreign markets to American products and boost our economy, but we must do so in a manner that puts American jobs first.

That is why it is time to swiftly pass the bipartisan Trade Adjustment Assistance deal and our pending free trade agreements with Colombia, Panama, and Korea. And it is why it is time to renew our expired trade preference programs.

Ambassadors Punke and Siddiqui, you know the task ahead. You were both voted unanimously out of the Finance Committee last year. You have served admirably as recess appointments and have been nominated again.

You both must continue to fight for American workers, entrepreneurs, ranchers, and farmers so that they can help the economy grow and create jobs.

Ambassador Punke, you have been nominated to be the Deputy U.S. Trade Representative and Ambassador to the World Trade Organization. We Montanans know that you have the courage, intelligence, and creativity to meet this challenge.

The WTO is the primary tool through which we can open fast-growing international markets, including China, India, and Brazil. Accessing these markets will grow our exports and increase our jobs. But once these countries open their doors, we must prevent them from building new barriers that block trade.

Ambassador Siddiqui, you have been nominated to be the Chief Agricultural Negotiator at the USTR. America produces some of the world's best agricultural products, including the top quality beef and wheat produced in my home State of Montana, as well as all the other agricultural products we produce in our country.

But some countries erect unscientific barriers to our agriculture products. You must do everything in your power to help remove those barriers. We must push our trading partners to adhere to internationally accepted scientific standards.

Mr. Piquado, you have been nominated to be the Assistant Secretary for Import Administration at the Department of Commerce. You will be tasked with enforcing our Nation's antidumping and countervailing duty laws. These laws help safeguard U.S. jobs and help to safeguard commerce by stemming unfairly traded imports. You also will be responsible for monitoring trade in key sectors, including lumber, steel, and textiles.

Mr. Johanson, you have been nominated to be a Commissioner of the U.S. International Trade Commission. This comes after many years of work here on the Finance Committee. Your years of service with this committee will serve you well in your new role.

And, if confirmed, I know you will enforce U.S. antidumping and countervailing duty laws fairly and objectively so that our manufac-

turers and workers can compete here at home. And I know you will enforce U.S. intellectual property rights, which are critical to innovative American companies.

Judge Gale, you have been nominated to serve a second term on the U.S. Tax Court. You will draw on your experience to ensure that U.S. tax laws are applied fairly and consistently.

President Clinton first nominated you based on your expertise and the reputation you earned as the Finance Committee's chief counsel, and staff director. We have very fond memories of your very able work here. President Obama nominated you for a second term based on your performance on the court, and the reputation you have earned from your peers.

Once confirmed, I am confident each of you will be successful in the positions in which you will serve. I know you will work toward that common goal, and I am sure your service to our country and your fellow Americans will represent us honorably around the globe, help our economy grow, create jobs, and ensure justice here at home.

[The prepared statement of Chairman Baucus appears in the appendix.]

The CHAIRMAN. Senator Hatch?

**OPENING STATEMENT OF HON. ORRIN G. HATCH,
A U.S. SENATOR FROM UTAH**

Senator HATCH. Well, thank you, Mr. Chairman. I welcome the opportunity today to hear from our trade and tax nominees in this open forum. I appreciate your presence here today, as well as your willingness to serve.

I extend a special welcome to Judge Gale and David Johanson. Judge Gale has served as a tax court judge since 1996, and before that as chief tax counsel of this committee. David Johanson has been nominated to be a member of the U.S. International Trade Commission.

David, I see you have brought your family. I am pleased to welcome them to this hearing. And I especially want to thank your parents for coming in from Texas and your wife and children for supporting you through all the long nights, weekends, and holidays you have spent away from them during what is, in my opinion, very good government service.

Mr. Johanson has served the committee for many years, first under the leadership of Senator Grassley and now with me as ranking member. And, David, we appreciate your 8 years of distinguished service to the committee and wish you well in your new endeavors.

We have accomplished a lot in these 8 years. Under President Bush, we renewed Trade Promotion Authority and worked together to pass trade agreements with 14 countries, providing a significant boost to our U.S. economy. We also used that Trade Promotion Authority to negotiate our trade agreements with Korea, Colombia, and Panama. Unfortunately, we are still waiting on President Obama to submit these agreements to Congress for a vote. If he will do that, we will get them passed.

The President's own statistics say that these agreements will create upwards of 250,000 new jobs. With an unemployment rate of

9.1 percent, I simply cannot understand the President's continued delay, and I am confident that, once the President submits these agreements, they will pass Congress with broad bipartisan support.

The President brought them up again during his speech to the joint session last week and indicated this is very, very important for him. So I hope he will send them up here. And I suspect the Trade Adjustment Assistance will pass, as well, and that will be pleasing to him, I am sure.

There are a number of other vexing trade problems our nominees will continue to grapple with. The Doha round of negotiations appears to be on the cusp of total failure.

China continues to pursue policies that boost their gains at our expense and their growth at our expense, and other countries around the world continue to negotiate trade agreements that exclude the United States, putting U.S. exporters at a serious disadvantage.

The President's response is to set a goal to double exports over 5 years. Now, I appreciate that goal, but everyone knows that a goal without a plan is nothing more than a false hope. In order to succeed, you need a solid plan and the right tools to make that plan a success.

That is why the President's timid interest in renewal of Trade Promotion Authority troubles me. History shows that trade agreements boost exports. In 2010, trade with our FTA partners totaled \$1 trillion and more than one-third of the U.S. merchandise trade with the world, according to the International Trade Commission.

The Commission also reported a merchandise trade surplus with more than half of our FTA partners, while continuing to report a deficit with our non-FTA partners. The President has filled this trade vacuum by latching onto negotiations to create a Trans-Pacific Partnership. Again, I appreciate this laudable goal, but I simply cannot understand how the President, and by extension the United States, will achieve its goal of concluding the TPP agreement without Trade Promotion Authority.

The President's lack of commitment to a vigorous market-opening trade agenda is not only disappointing; it continues to hold our workers and economy back from reaching their highest potential.

I want to thank you, Mr. Chairman. I look forward to hearing from our witnesses, and I hope we can put all these people through as soon as possible.

[The prepared statement of Senator Hatch appears in the appendix.]

The CHAIRMAN. Thank you, Senator.

I would like to introduce the panel. Our first witness is Judge Joseph Gale, who has been nominated to a second term on the U.S. Tax Court.

Our second witness is Michael Punke, who has been nominated to be Deputy U.S. Trade Representative in Geneva. Not only is Michael from Montana, he is also a very successful author. He has written some terrific books, but used to be my chief tax counsel, as well—trade counsel—excuse me. He is so smart, he could have been tax counsel, too.

Mike, I am very proud of you, and I know you will do a great job.

Our third witness is Islam Siddiqui, who has been nominated to be Chief Agricultural Negotiator at USTR.

Our fourth witness is Paul Piquado, who has been nominated to be the Assistant Secretary of Commerce for Import Administration.

And our final witness, David Johanson, is nominated to be a commissioner on the U.S. International Trade Commission.

Before I go any further, I understand that Senator Grassley may want to also introduce Mr. Johanson, as well as Senator Cornyn. Senator, why don't you introduce him, too?

**OPENING STATEMENT OF HON. CHUCK GRASSLEY,
A U.S. SENATOR FROM IOWA**

Senator GRASSLEY. Even though I am introducing Mr. Johanson, that does not mean I do not appreciate your nominations for the other four, and I come here specifically to congratulate all of you, but to particularly point out my strong support for David Johanson to be on the International Trade Commission.

I have known David since March 2003, when he came to work for the Finance Committee staff as our international trade counsel, and he did that in a position of focusing on agricultural issues. He has worked on my staff for almost 8 years.

Agricultural issues, he knows, are very important to America generally and particularly to our export policies. But he also knows that Iowa is the largest producer of corn, soybeans, pork, and eggs. Also, he knows that Iowa agriculture supports thousands of non-farm jobs in heavy equipment manufacturing, like John Deere, as an example, and that we export a lot of those farm machineries to the rest of the world, and that is a large part of our economy.

And he knows about trade policy, covering the entire agricultural sector, that it is a very complicated issue. It involves everything from understanding the technicalities of agreements with WTO to analyzing the trade policies of other countries that restrict exports of U.S. farm products.

In addition, though, to handling agricultural issues, because he is very broad-based in the work he did, David also worked on trade matters involving Latin America and the Middle East. The United States negotiated free trade agreements with several countries in those regions in recent years, and David is able to handle all of that.

He has an ideal combination of intelligence and, most importantly, meticulousness. When you ask him a question, you can be sure that he is going to conduct the necessary research to give you a precise answer.

David's work ethic means that he is often the first one in the office and the last one to leave. He has been devoted to opening new markets to U.S. producers and manufacturers, including services. It took hundreds and maybe thousands of meetings over the years with Iowans and national industry groups who were facing trade barriers and needed help fixing it.

So I think he goes well-prepared to be on the International Trade Commission.

I can also add that he met with numerous foreign delegations to discuss U.S. trade negotiations. I can give you an example of David's determination. He spent many hours over 2 years working on the committee's behalf to reopen Chinese markets and, for me particularly, the imports of porcine protein. These proteins consist of blood, plasma, gelatin from pigs. China banned imports of this product from the United States for non-scientific reasons.

China's policy led to reduced production of these proteins in Iowa. A plant in Sioux City was on the verge of being forced to lay off workers. But David revisited the issue repeatedly. And eventually, the country relented and resumed imports, and this industry returned to a sounder footing. And I can say, without a doubt, in that specific instance, David's efforts made a real difference.

Another example: I once saw a normally calm ambassador from one of our major trading partners get mad at David during a meeting in my office. David's supposed offense was that he yet again brought up one of that country's barriers to exports of Iowa agricultural products.

David, of course, was just doing his job. Soon after that, the country lifted its trade barrier, and he got out into the field, literally. Every 2 years, I brought a group of foreign ambassadors to tour the farms and companies of Iowa. David joined that tour a total of four times over that 8 years.

He made it a point to sit down with every foreign diplomat on that trip—and sometimes we had ambassadors from 60 embassies in my State for that 5-day period of time—and he had substantial conversations with them.

He is motivated to learn about other countries and their trade policies.

So in closing, it is probably superfluous for me to say it, but it is fitting that David is a nominee to the International Trade Commission. Through his work on the Finance Committee, he has interacted extensively with the International Trade Commission over the years.

If confirmed, David will bring his studiousness and knowledge to the benefit of the Commission.

Thank you, Mr. Chairman. And congratulations, David.

The CHAIRMAN. Thank you, Senator.

Senator Cornyn, would you like to say a word?

**OPENING STATEMENT OF HON. JOHN CORNYN,
A U.S. SENATOR FROM TEXAS**

Senator CORNYN. I would, very briefly, Mr. Chairman. Thank you very much.

I want to congratulate all of the nominees, and thank you for your willingness to serve. I want to say a couple of words about David Johanson. I actually know his father better than I know David, but have come to learn about and admire David's professionalism while working here on the Finance Committee.

But let there be no doubt about it, David is a Texan through and through, born in Austin, went to public schools there, went to Austin High School, and then to Stanford. He left for a while and then came back to go to the University of Texas Law School.

His first job on Capitol Hill was in the office of my predecessor, Senator Phil Gramm. He started out in Senator Gramm's mailroom, but he has gone on to do a lot of very important things and has a distinguished record, serving, as you have heard, members of this committee, Senator Grassley and Senator Hatch, and he certainly deserves our support as the counsel for the International Trade Commission.

Texas is a big State, but Austin is a small world, and David's father, whom I alluded to earlier, actually taught part of the bar examination when I graduated from law school. And the good news is, it must have stuck. I passed. So far, so good. But then, many years later, he taught my daughter at University of Texas Law School, where she graduated about 3 years ago.

So I know David's family is proud of him, and I am proud to support his nomination.

Thank you, Mr. Chairman, for giving me a few moments to say some words.

The CHAIRMAN. Absolutely. I would now like to turn to the nominees, and I will begin with you, Mr. Gale, for any statement you may wish to make.

Judge GALE. Well, I thank you, Mr. Chairman. And, Mr. Chairman, Ranking Member Grassley—

The CHAIRMAN. Suspend for a little bit, if you would, Judge. I think I would like to have each of you introduce your families and friends here before you make your statements.

Judge GALE. Certainly.

The CHAIRMAN. Judge Gale, is there anybody you want to introduce?

Judge GALE. Yes. I have here today my mother, Charlotte Gale, and my brother, Hutter Gale, and they have both driven up from Smithfield, VA today to be here.

The CHAIRMAN. He looks a little bit like you. [Laughter.]

Judge GALE. Not just a coincidence. They made the same trip 16 years ago and are hoping for the same outcome.

Also, here today is my partner of some 24 years, Will Hopkins, who has been my bedrock and wisest counsel for that time.

The CHAIRMAN. Could all of you stand so we could recognize you, please? Thank you very much. [Applause.]

Judge GALE. While I am making introductions, too, I would be remiss if I did not note that the chief judge of the tax court is with us today. I am very honored that he is here. John Colvin.

The CHAIRMAN. Good. Yes, we know Judge Colvin. Why don't you stand up, John, so we can recognize you, too? Thank you very much. [Applause.]

Mr. Punke?

Mr. PUNKE. Thank you, Chairman Baucus. Unfortunately, my family is unable to attend today, but they are here in spirit and possibly watching on a small computer screen from Geneva, Switzerland.

So I would like to acknowledge my wife, Traci, and my kids, Sophie and Bo, as well as my parents, Marilyn and Butch Punke, who are certainly paying attention, if not here physically. So thank you.

The CHAIRMAN. I know how proud they all are. Thank you very much.

Ambassador Siddiqui?

Mr. SIDDIQUI. Mr. Chairman, I would like to introduce my wife, Tabassum, who is here, and my two daughters, Arshi Siddiqui and Sophia Siddiqui, and my son, who is going to Harvard Business School, so he could not be here, but he is missed.

Thank you.

The CHAIRMAN. Well, I know you are all very proud of Mr. Siddiqui. Thank you very much. [Applause.]

Mr. Piquado?

Mr. PIQUADO. Thank you, Mr. Chairman.

I would like to introduce my parents, John and Dorothy Piquado, who are in from New Hampshire; my wife, Meredith Weaver; and my mother-in-law, Ann Weaver. [Applause.]

The CHAIRMAN. Mr. Johanson?

Mr. JOHANSON. Yes, Mr. Chairman. I would like to introduce my wife, Lynn Johanson, my parents, Stanley and Geraldine Johanson, and my two sons, Benjamin and Timothy.

The CHAIRMAN. Great. Thank you. [Applause.]

I want to add, as has been already noted, your father is quite an esteemed professor at the University of Texas Law School in wills, trusts, and estates. And I am thinking of my wills, trusts, and estates law professor when I was in law school, and I am sure, Mr. Johanson, you are just as good as mine was. [Laughter.]

I might add, too, that the University of Texas Law School is well-represented on this committee, certainly at the staff level. My staff director, Russ Sullivan, is a graduate from University of Texas Law School. Tom Reeder on my staff is another graduate. And there are other alums on the Republican staff side here, David Johanson and also Jim Lyons, who is the new chief counsel to replace—I do not know if it is permanent or temporary or what—Mark Prater. He is serving in Mark Prater's absence.

So I want you to know you are doing well here.

All right. Let us begin with you, Judge Gale, for any statement you wish to make.

**STATEMENT OF JOSEPH H. GALE, NOMINATED TO BE A JUDGE
OF THE UNITED STATES TAX COURT, WASHINGTON, DC**

Judge GALE. Fine. Thank you. Mr. Chairman, Ranking Member Hatch, and other distinguished members of the Finance Committee who are not present this afternoon, it is a privilege to be here today, and I want to thank you for scheduling this hearing to consider my nomination to a second term on the United States Tax Court.

I am very grateful to President Obama for nominating me and to the committee for such prompt consideration of my nomination.

In that regard, I am especially grateful to the committee staff on both sides for their diligent efforts to complete the processing of my nomination when they had many other pressing matters to attend to.

It is also with a wonderful sense of nostalgia that I sit in this hearing room this afternoon. I spent so many hours here from early

1985 through 1995, first, as a tax staffer for Senator Moynihan and, ultimately, as the committee's chief tax counsel.

I was privileged to work on the 1986 Tax Reform Act, which is certainly one of the committee's great achievements, in my estimation, as well as the 1993 Deficit Reduction Act.

What I can say with confidence is that those were some of the most exhilarating days of my professional career, and it is just great to be back here in this special room to be reminded of them.

For the past 15½ years, I have been honored and privileged to serve as a judge of the U.S. Tax Court. I have tried to resolve disputes between the taxpayers and the Internal Revenue Service by applying the tax laws in the manner intended by Congress. Hopefully, I have made the process a little less daunting for taxpayers who are at the tax court without counsel.

If confirmed by the Senate for another term, I will certainly continue to work diligently to resolve tax controversies fairly and expeditiously in accordance with congressional intent.

Mr. Chairman, thanks again, and I am certainly happy to answer any questions that the committee may have.

[The prepared statement of Judge Gale appears in the appendix.]

The CHAIRMAN. You bet. Thank you, Judge, very much.

Ambassador Punke?

STATEMENT OF AMBASSADOR MICHAEL W. PUNKE, NOMINATED TO BE DEPUTY UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, EXECUTIVE OFFICE OF THE PRESIDENT, WASHINGTON, DC

Mr. PUNKE. Thank you, Chairman Baucus, Senator Hatch, and distinguished members of the Finance Committee.

I want to start today by expressing my gratitude to President Obama for his confidence in nominating me to serve as Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization.

I am also grateful for the bipartisan support expressed for my nomination by this committee after my last hearing in 2009 and for the ongoing support of U.S. Trade Representative Ron Kirk.

Mr. Chairman, I will always be appreciative for my first opportunity in public service, a job on your staff, which you gave me in 1991.

Mr. Chairman, it has been the greatest honor and privilege of my career to serve since March 2010 as an appointee to the position for which I am nominated. It is my great hope that I will be able to continue to serve in this position, with the advice and consent of the Senate.

As you have remarked, Mr. Chairman, there is much work to do. The World Trade Organization stands today as the embodiment of the work of generations of Americans in bipartisan support of a rules-based trading system; not just any rules, but rules that reflect the American view of the importance of fair rules-based competition. And WTO rules have teeth.

The WTO is unique among multilateral institutions because there are consequences for failure to comply. The WTO provides a process for binding dispute resolution and the possibility for WTO members to apply sanctions, where necessary, to secure compli-

ance. Guaranteed access to procedures for enforcing trade rules corrects one of the great shortcomings of the old GATT system.

The WTO dispute resolution process is not perfect, but it is very good, and we have used it aggressively to promote and to defend American interests.

So, as a repository of rules and a forum for resolving disputes, the WTO provides one of the bulwarks of our global economy. The value of this system has been proved during the financial crisis when, with few exceptions, countries declined to resort to the sort of protectionist measures that would have deepened the crisis and made recovery much harder.

Despite these positive aspects, there is one area in which the WTO is underachieving. To meet its potential, to meet American expectations, the WTO must also be effective in its historical role as a forum for negotiations to open markets.

Opening new markets supports new trade opportunities, which is another way of saying jobs—jobs for our farmers and ranchers, jobs for our workers, companies, and entrepreneurs.

Certainly, it is no secret that the Doha round of WTO negotiations is floundering. As of next month, WTO members will have been engaged in Doha negotiations for a decade, with no end in sight. At one level, the diagnosis for what ails the Doha round is quite simple. Since negotiations began in 2001, the world has changed dramatically. Above all, we have watched the rise of emerging economies such as China, India, and Brazil.

The Obama administration, with the strong support of Congress, believes that China and other emerging economies must shoulder new responsibilities to reflect this change. So far, they have been unwilling to do so.

Since the 2008 breakdown in Doha negotiations, the United States has put forward a number of procedural and substantive ideas in an effort to achieve a breakthrough in the negotiations.

Speaking bluntly, the reticence of a number of our negotiating partners has left us with very little to show for those efforts.

As we approach a biennial WTO ministerial meeting this December, the time has come for both an honest assessment of where we stand, and realistic guidance about where we should go. The WTO operates by consensus. So it will be vital for all WTO members to participate in this effort.

One thing, though, is clear. What we are doing today in the Doha negotiations is not working. That is not a value statement, but a simple assessment of the facts. After 10 years, we are deadlocked.

The ability of the WTO's collective membership to acknowledge the reality of our situation will be the first test of whether we can devise a credible path forward. This is important for the Doha negotiations, but also for the broader credibility of Doha as a forum for trade negotiations.

Mr. Chairman, one of the aspects of my job for which I am most grateful is the relationship I have enjoyed with members of this committee and their staffs. As the administration has negotiated in Geneva, we have maintained an ongoing and constructive dialogue with Congress. This dialogue has allowed us to project a unified and strong position.

Certainly, this is a well to which I will hope to return often in the weeks and months ahead.

Thank you for considering my nomination.

[The prepared statement of Mr. Punke appears in the appendix.]

The CHAIRMAN. Thank you, Mr. Ambassador.

Ambassador Siddiqui?

STATEMENT OF AMBASSADOR ISLAM A. SIDDIQUI, NOMINATED TO BE CHIEF AGRICULTURAL NEGOTIATOR, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, EXECUTIVE OFFICE OF THE PRESIDENT, WASHINGTON, DC

Mr. SIDDIQUI. Thank you, Chairman Baucus, Ranking Member Hatch, and members of the Finance Committee.

First, I would like to thank President Obama for nominating me to serve as the Chief Agricultural Negotiator with the Office of the U.S. Trade Representative; of course, also, Ambassador Kirk for his continuing support.

I am also especially grateful for the bipartisan support of my nomination by members of this committee after my last hearing in November 2009.

Since March 2010, it has been an honor and privilege for me to serve as the chief agricultural negotiator. If confirmed, I look forward to serving in this position with humility and dedication.

My entire academic and professional career has centered on agriculture, ranging from research after receiving my Ph.D. from the University of Illinois to 28 years of service with the California Department of Food and Agriculture.

As a result, I am acutely aware of the challenges related to agriculture, as well as the importance of agricultural exports to a long-term economic outlook. Agricultural exports are particularly critical to supporting jobs and revitalizing rural communities.

According to USDA's Economic Research Service, every \$1 billion in agricultural exports supports around 8,400 jobs both on the farm and off the farm.

The good news is that agricultural exports continue to grow. Last year, U.S. agricultural exports increased 17 percent over the 2009 number. Based on the first 6 months of this year alone, we are on track to set a record of \$137 billion for 2011. These numbers reflect the ingenuity and productivity of U.S. farmers and ranchers, who are able to out-compete their counterparts in foreign countries, despite higher costs of inputs, as well as labor.

The adoption of new technologies and state-of-the-art farm management practices has been critical to this extraordinary success of our farmers and ranchers. We can build on this success to achieve even more by diligently working to remove trade barriers and open new markets.

I look forward to continued and ongoing consultation with this committee in our efforts to remove nontariff barriers as, Senator, you mentioned in your opening remarks, which our farmers and ranchers face around the world.

While dialogue and diplomacy with our trading partners can deliver significant results and must be tried first, in some cases, we have to be more aggressive in our approach. In these instances, we

must exercise our rights under the WTO dispute resolution process and file complaints to remove non-science-based barriers and address WTO violations.

I am also committed to working in close coordination with other U.S. agencies to develop and achieve these goals.

As Ambassador Punke mentioned, the Doha negotiations are facing a difficult moment, and the gaps in agriculture, as well as non-agriculture, market access and services are wide. Especially focusing on agricultural negotiations in Doha, we are being asked to make significant concessions in the first two pillars of agricultural negotiations; namely, domestic support and export competition. To balance these concessions, a final agreement would have to provide new market access for U.S. agricultural products in the third pillar, which is the pillar of market access.

Whatever the future direction of the Doha negotiations, I am a strong advocate of achieving new market opportunities for our farmers and ranchers, especially including the markets of emerging economies.

Mr. Chairman, the last 17 months have afforded me the opportunity to work on a number of trade issues to promote U.S. agriculture, including the resumption of U.S. poultry exports to Russia and negotiating the Brazil cotton framework agreement.

If confirmed, I look forward to continuing to work towards implementing President Obama's trade agenda under the leadership of Ambassador Kirk, as well as the outstanding USTR team.

I also look forward to working closely with the members and the staff of this committee on the many challenges and opportunities that we face in agricultural trade.

Thank you once again, Mr. Chairman, for your consideration of my nomination.

[The prepared statement of Mr. Siddiqui appears in the appendix.]

The CHAIRMAN. Thank you, Mr. Ambassador, very much.

Mr. Piquado, you are next.

STATEMENT OF PAUL PIQUADO, NOMINATED TO BE ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION, DEPARTMENT OF COMMERCE, WASHINGTON, DC

Mr. PIQUADO. Thank you, Chairman Baucus and Ranking Member Hatch. I am deeply honored to be here today as President Obama's nominee to be Assistant Secretary of Commerce for Import Administration.

I am thankful to have had the privilege to serve in the Import Administration as the Deputy Assistant Secretary for Policy for the past 1½ years, and I am humbled by the confidence that the President has placed in me in nominating me for this position.

I would also like to thank former Secretary of Commerce and now Ambassador Gary Locke, and Under Secretary Francisco Sanchez, for their leadership and support of my nomination, as well as members of the committee, and committee staff with whom I have met in the past few weeks.

I would also like to publicly thank, and acknowledge my parents, John and Dorothy Piquado, who, as school teachers, instilled in me, at a very young age, an interest in international affairs and public

service; my grandfather, Carl Piquado, who, with my grandmother, Alice, raised six children, working as a stone mason; my sister, Laura; and especially my wife, Meredith Weaver, for her tremendous support and love.

Many others, including my extended family and friends and colleagues, too numerous to name, many of whom are here today, also deserve recognition for their support and to whom I am forever grateful.

Mr. Chairman, if confirmed, I will have the great privilege of leading the dedicated team of public servants at the Import Administration.

The Import Administration plays a critical role in helping to ensure that America's businesses and workers have the opportunity to compete against their foreign counterparts on a level playing field by remedying distortions in the market that are caused by the unfair dumping or subsidization of products sold in the United States.

The agency also plays an increasingly important role in maintaining important export markets for U.S. firms, both by helping to ensure that foreign trade remedy actions targeting U.S. exports are conducted transparently and in accordance with international rules, and by administering the foreign trade zones program.

These activities are critically important to help safeguard jobs and support the competitive strength of American industry, both in the United States and overseas.

Given this, if confirmed, I will be guided by one single objective: to ensure that the laws and programs within the jurisdiction of the Import Administration are applied and enforced as fully and robustly as possible in a manner that is as open and transparent as possible. The robust enforcement of the trade laws is one of the pillars of President Obama's National Export Initiative, which is an initiative that is designed to double U.S. exports within 5 years in support of millions of American jobs.

The President has said that, when the playing field is even, nobody can beat us. I agree. America's businesses and workers are among the most productive, skilled, and educated in the world, and they do not fear competition. All they want is to know that everyone, including their foreign competitors, plays by the same rules and that free trade is also fair trade.

The trade remedy laws, which were first created by Congress nearly a century ago, provide parties that demonstrate that they have been subject to unfair trade with a reliable and impartial mechanism to help achieve this goal.

If confirmed, I will work every day to ensure that the AD/CVD laws are vigorously applied whenever and wherever the evidence demonstrates that foreign governments or firms have unfairly subsidized or dumped products sold in the United States.

I am particularly motivated to take up this important role, in part, because I have spent a good portion of my professional career working on international trade matters, and I understand the very real impact that unfair trade can have on the economy and jobs and communities across the country.

As the principal advisor to Governor Rendell on trade and investment policy, I had the opportunity to help develop strategic guid-

ance on an array of international trade and economic policy matters intended to promote job creation and ensure that Pennsylvania's businesses and workers could compete and win in the global economy. This included working to assist firms that were suffering from the effects of unfairly traded goods.

In addition, in my current position, I have had the opportunity to help oversee the development of policies governing the administration of the AD/CVD statutes, and working with the Office of the U.S. Trade Representative to help develop the government's position in ongoing trade remedy negotiations.

Before entering government service, I also had the opportunity to advise parties on a variety of trade matters, including, among other things, working on WTO disputes. I believe that this experience will greatly assist me in performing my responsibilities as assistant secretary, should I be confirmed.

In conclusion, Mr. Chairman, Ranking Member Hatch, I would like to thank you and the other members of the committee for the great privilege of being considered by this body for this important position. If confirmed, I look forward to working closely with you to ensure that trade remedy laws are transparently and vigorously enforced.

Thank you. And I would be happy to answer any questions you may have.

[The prepared statement of Mr. Piquado appears in the appendix.]

The CHAIRMAN. Thank you, Mr. Piquado, very much.
Mr. Johanson, you are next.

**STATEMENT OF DAVID S. JOHANSON, NOMINATED TO BE A
MEMBER OF THE UNITED STATES INTERNATIONAL TRADE
COMMISSION, WASHINGTON, DC**

Mr. JOHANSON. Yes. I would like to thank, first of all, Senator Grassley and Senator Cornyn for their kind remarks today on my behalf.

Chairman Baucus, Ranking Member Hatch, and other members of the Finance Committee, I am honored to appear before you today as the President's nominee for the position of Commissioner on the U.S. International Trade Commission.

I seek this position after having spent the past 8 years serving as international trade counsel on this committee, currently under Ranking Member Hatch and formerly under prior chairman and ranking member Grassley.

I would like to thank Senator Hatch and Senator Grassley for providing me with the tremendous opportunity to work for them. I consistently found my job at the Finance Committee interesting and challenging. I attribute my positive experiences of the past several years primarily to the two Senators to whom I have reported on this committee.

I appreciate, as well, having had the opportunity to work with Senator Baucus and his Finance Committee staff.

I would like to express my gratitude to Republican Leader McConnell for his support of my nomination.

I would, also, of course, like to thank my wife, Lynn, and my other family members for their understanding and support over the years.

While my experience in the Senate has been positive, I look forward, if confirmed, to new challenges as a member of the U.S. International Trade Commission. I am confident that my background prepares me well for the position of Commissioner.

I have approximately 15 years of experience in the field of international trade law. Much of my work has directly involved the Commission. While employed in the Senate, I have participated in the drafting of requests to the Commission for section 332 investigations, miscellaneous tariff bill reports, and other technical trade analyses. Many of these requests have involved agricultural trade, an area on which I have focused throughout my career.

The resulting reports and data prepared by the Commission have been integral to my work as a member of the Finance Committee staff.

I formerly practiced international trade law at a law firm in Washington, DC, and, in that capacity, I had the opportunity to learn firsthand the Commission's role in administering the trade remedy laws. Moreover, the Commission maintains the harmonized tariff schedule of the United States, which I have utilized on a regular basis from my earliest days of practicing law to the present.

I have often communicated with the Commission on matters pertaining to the harmonized tariff schedule. Given my frequent interactions with the Commission, I am familiar with the functions of this agency and the laws and regulations administered by it.

Of all my qualifications, I believe that my tenure on the staff of the Finance Committee would, in particular, benefit me as a Commissioner.

Through my work on this committee, I know well the importance that Congress places on the activities of the Commission. I recognize that Congress is principally interested in two statutory functions of the Commission; first, the Commission's administration of the trade remedy laws and, second, its role in providing Congress with independent analysis and information on matters relating to international trade.

If confirmed, I assure the Finance Committee that I will administer the trade remedy laws in accordance with congressional intent. I will apply these laws in a fair and objective manner, and my decisions will be based upon the facts.

I will also be responsive to requests from Congress concerning trade information, trade analysis, and related matters.

It has been a privilege to serve in the position of international trade counsel to the Finance Committee. If confirmed, I will miss this committee and my colleagues here. I look forward, however, to the possibility of continuing to work with the Finance Committee as a Commissioner on the U.S. International Trade Commission.

I thank the Finance Committee for its consideration of my nomination.

[The prepared statement of Mr. Johanson appears in the appendix.]

The CHAIRMAN. Thank you, Mr. Johanson.

I would like to now ask some obligatory questions of each of the five of you, beginning with you, Mr. Gale. Actually, I will ask the same question and go down the table here.

First, is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Judge GALE. No, Mr. Chairman.

The CHAIRMAN. Ambassador Punke?

Mr. PUNKE. No, Mr. Chairman.

Mr. SIDDIQUI. No, Mr. Chairman.

Mr. PIQUADO. No, Mr. Chairman.

Mr. JOHANSON. No, Mr. Chairman.

The CHAIRMAN. Thank you. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Judge GALE. No, sir.

Mr. PUNKE. No.

Mr. SIDDIQUI. No, Mr. Chairman.

Mr. PIQUADO. No, Mr. Chairman.

Mr. JOHANSON. No.

The CHAIRMAN. Thank you. Do you agree, without reservation, to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress, if you are confirmed?

Judge GALE. Yes, I do.

Mr. PUNKE. Yes.

Mr. SIDDIQUI. Yes.

Mr. PIQUADO. Yes, Mr. Chairman.

Mr. JOHANSON. Yes.

The CHAIRMAN. Thank you. I will start with you, Mr. Punke.

How are we going to get WTO jump-started here? What do we have to do?

I mean, the goal is pretty clear. And I also want to commend you for standing firm as a representative of the United States. That is, a lot of other countries, developing countries, including Pascal Lamy, Director of WTO, have been pushing the United States to take positions which I think, in the whole scope of the matter, are counter to the best interests of the United States, and I thank you for standing up for the United States.

But we have FTAs, hopefully, sent up by the administration to the Congress so we can pass them this year, and the TAA is part of the mix. But the bigger question is, how do we get going here?

I mean, if the goal is to promote more trade and lower the barriers worldwide, what are some of the thoughts you might have as to how we proceed?

Mr. PUNKE. Well, thank you for the question, Mr. Chairman.

I think I will focus my answer on the area in which I had the most responsibility, which is the area of WTO, and especially the Doha negotiations.

I think, when it comes to the Doha negotiations, the first thing that is really critical is that all members of the WTO admit right now that what we are doing is not working.

We have been engaged in this Doha negotiation now for coming up on 10 years, and there is, unfortunately, no evidence right now that we are succeeding in making the progress that we want to make.

I think what that leads to is a question of why we are not making progress. And in a negotiation as complex as Doha, which essentially covers the entire global economy, you have 153 members participating, there are lots of difficult issues, but the most common theme, in terms of the deadlock that we are seeing, is a lack of agreement on the role of—the appropriate role for emerging economies.

And as you know, Senator Baucus, our view, very strongly held, is that the role of the emerging economies must reflect the role that they now play in the global economy. And so, I think we need to have a very honest assessment of where we are at, all of us. I think we need to look with a very open mind at alternative pathways forward, and I think that the work that we are doing this fall leading up to the ministerial meeting in Geneva in December gives us an opportunity to really turn the page on Doha.

And one of the things that will be most essential, in that context, is finding a way to get out of the current trap we are in, where we really negotiate to the last common denominator, and the intransigents in the WTO are really setting the tone.

We need to find ways where we can reverse that, and have those countries that are most interested in opening markets set the tone. And so, that is an easy thing to say and a difficult thing to do, but I think that is our challenge, especially between now and December.

The CHAIRMAN. So how do we do all that? I know it is a tall order. You cannot really answer it all in the short period we have here. But some have suggested Doha-lite. Some have suggested we somehow get around this requirement of consensus by various countries—another group of countries agreeing.

Some have suggested that the United States should provide more leadership. And, I think, it is still true that most countries around the world still look to the United States for leadership, and it is an opportunity here, although it might be more difficult, to exercise that leadership.

Your thoughts?

Mr. PUNKE. Well, let me begin with the last piece of that first, on U.S. leadership, because I could not be more confident and proud of the role that the U.S. has played in leading in the Doha negotiations.

We have been very clear about the shortcomings that we see with the package that is currently on the table. We have been creative in terms of our willingness to explore alternative processes. We have been flexible, when appropriate, in our substantive positions.

But one piece of guidance from this committee, Senator Baucus, that I took to heart is the idea that no deal is better than a bad deal.

And some of those who want to talk about a lack of U.S. leadership have a different view, and their view is that a bad deal is better than no deal. And so, as long as I am right about what I think

this committee wants me to do and what this Congress wants me to do in seeking a good deal, we will continue to push for that. And there is a difference, a very profound difference, I think, between leading and conceding.

The CHAIRMAN. I appreciate that. My time has expired. But at some point, I guess it is important to evaluate some version of Doha-lite, some version of another group of countries, because the current consensus requirement makes things a bit difficult, to say the least, and we are not getting anywhere so far. But we will address that later.

Senator Hatch?

Senator HATCH. Thank you, Mr. Chairman.

I intend to support all five of you. I just want to compliment you on being willing to serve our government and do what you are doing. You are all experts in your fields, and I am just very appreciative of your willingness to serve.

Let me just say a few comments, and then I will end.

The President said we should pass trade deals that will level the playing field for American companies. Later, he said that, "The only thing that is holding them back is politics. The only thing preventing us from passing these bills is the refusal by some in Congress to put country ahead of party. That is the problem right now. That is what is holding this country back. That is what we have to change."

Now, to all of you, I am perplexed by this statement. First, I do not understand how the President can say that Congress is the only thing keeping us from passing these trade agreements. You and I both know that under TPA, the Trade Promotion Authority, Congress cannot vote on these agreements until the President submits them to Congress.

If you do not believe me, take a look at this chart from the U.S. Trade Representative's own website. It is titled "How a Trade Agreement Moves Through Congress," and it clearly states that the next step in the process is for the President to submit trade agreements.

[The chart appears in the appendix on p. 39.]

Senator HATCH. Now, I do not understand how the President can blame Congress, as he did a week or so ago, for not voting on agreements that he has not sent to us. We cannot do it until he does.

I also do not understand who makes up the "some in Congress" the President is referring to. Now, Senator McConnell and I sent a letter to the President, as early as this February, expressing our support for these agreements.

So these are things that bother me a great deal. Let me just say that, Ambassador Punke, I would like to commend your leadership and advocacy for American interests in Geneva as our representatives to the WTO in Geneva.

Standing firm, and insisting on an ambitious and balanced agreement is critical to ensuring that any WTO deal receives congressional support. And, as the Doha round teeters on the brink of collapse, I am very concerned about our delay in moving the pending free trade agreements and the President's timid support for trade negotiating authority.

Every president, since FDR, has sought trade-negotiating authority from Congress, and the need for such authority, it seems to me, is obvious. Without it, we cannot pass good agreements to open the foreign markets for our exports.

Now, President Clinton, in seeking this authority, said, "The case for extending fast track is plain. This legislation will give us the authority to increase access to foreign markets, especially in the fastest-growing regions of the world. If we do not seize these opportunities, our competitors surely will. An 'America last' strategy is unacceptable."

Well, I just say that hopefully that somebody is listening down there at the White House, and hopefully they will send those three trade agreements up. I personally believe the President has insisted, after the Trade Representative said they would be brought up before August, these three trade agreements, the President is insisting on Trade Adjustment Assistance, and I have every reason to believe that that will pass the Senate, and I believe it will pass the House, as well.

So I do not see any reason to delay this any longer, and I just hope that, as you serve, you might be able to help the White House to see that this is the way we have to move. And, hopefully, we will get those trade agreements up here and vote on them and prove that we really are serious about dealing with our friends in South Korea, Columbia, and Panama, and in creating as many as a quarter of a million jobs in the process.

Mr. Chairman, I am going to support all five of these, and I just want to commend them again for being willing to serve and having the expertise that they have and being the good people that they are.

Thank you.

The CHAIRMAN. Thank you, Senator. Well said. They are all five very fine people, will be confirmed, and will serve very well.

I am quite confident that this Congress will, even this year, pass the free trade agreements.

Senator HATCH. I hope you are right.

The CHAIRMAN. As well as Trade Adjustment Assistance or its ancillary agreements. The trust is there on both sides to get it done, and, as long as we just keep moving along, I think we will get them passed. So, thank you very much.

I would like to ask you, Judge Gale, a question. You have been faced with lots of tax decisions. What advice do you have?

A lot of us talk about tax reform. It is getting higher and higher and higher on the agenda here—getting to be a higher priority. The code is so complex. Some talk about the need to change the code to increase American competitiveness and address equity and so forth.

Just any off-the-top-of-your-head thoughts?

Senator HATCH. I am going to have to leave. Good luck on that question. [Laughter.]

I am going to be very interested in reading what your response is, but that is a good question by the chairman, and it is one that we are all concerned about, and it is going to take a lot of answers to come up with what we need to do. But I appreciate you.

The CHAIRMAN. Thank you.

Senator HATCH. If you will excuse me, I had better head out.

The CHAIRMAN. Thank you, Senator, very much. I appreciate your presence. Thank you very much.

Judge GALE. Well, Mr. Chairman, I am sure you know that, sitting where I sit, I am reluctant to venture too far into the field of tax policy. It is not my responsibility really to be opining on that.

I would say that, as I said in my opening remarks, I think that the Tax Reform Act of 1986 had a lot of attributes that might be worth looking at again, in terms of base-broadening and perhaps trading specific tax expenditures or breaks in exchange for lower rates.

A great deal of simplification came in that bargain as well. And maybe I am a product of my own experience, but I do think that the 1986 Act is a useful touchstone.

Beyond that, I would have a suggestion which I am afraid will be taken as pedestrian, but I will make it nonetheless. I think it would be advantageous to the system to get back to the days of committee reports. It is with increasing frequency—and I certainly am not second-guessing the process where major tax legislation has been produced in recent years without reports from the Finance Committee, or the Ways and Means Committee—but those reports are extremely helpful, from where I sit, in terms of making sure that we are getting congressional intent or applying the laws in the way that the Congress intended.

So I make that somewhat pedestrian suggestion. I know that there are forces at work that have made that more difficult in recent years, but I would make that suggestion, since you asked.

The CHAIRMAN. It is an excellent suggestion. This Congress, unfortunately, in the last several years, has moved away from legislating, and moved a bit more toward messaging. Often, bills that are introduced, amendments that are introduced, are not examined thoroughly.

We do not have markups as frequently now as we once did. So we spend less time digging down into, what is this measure all about, with less opportunity to make it better with amendments, less opportunity to just try to do what we are elected to do: that is, legislate in the best interest of the country.

And, as a consequence, I think we have done ourselves a significant disservice, because (A) a lot of members of the Congress, I think, do not really understand what they are talking about, at least all this messaging, and (B) when amendments are passed, they are not as well-understood as before.

I will add to that that the country, I think, is a little bit perplexed, because there is a lot of messaging, a lot of talking, rather than acting.

Also, it encourages partisanship. The more you message around here, the more we start to criticize the other person's point of view and not dig down into what the right policy should be. And a committee report necessarily means that we have legislated something, the committee has passed some legislation out of the committee, there has been a markup, which, again, would mean that we are taking our job more seriously, and so forth.

I am hopeful that we can reverse this trend which I have just mentioned. I am going to do my part to try to get this outfit here

to slow down a little bit, be a little less partisan—in fact, much less partisan—and let us have hearings that are honest hearings; not to say that others are dishonest, but hearings where the witnesses are not partisan witnesses, but they are, rather, witnesses who know the subject matter very well.

That encourages Senators to ask better questions, and it discourages Senators from pontificating if the witnesses are very high caliber, the witnesses are not partisan. It is an opportunity for Senators to learn a lot and for the public to learn a lot.

But your pedestrian suggestion about committee reports is a very good one. It opens up a deeper question, which, as I said, should be addressed. But thank you very much for that.

Judge GALE. Thank you, Mr. Chairman.

The CHAIRMAN. Does anybody have anything to add? Here is your opportunity. Any subject.

Ambassador Punke, anything you want to add?

Mr. PUNKE. No. I think I will quit while I am ahead. [Laughter.]

The CHAIRMAN. Well, there is a big assumption behind that statement. [Laughter.]

Ambassador Siddiqui?

Mr. SIDDIQUI. Mr. Chairman, since you asked, I would just mention that removal of trade barriers is one of the highest priorities we have, and, also, enforcement of WTO commitments by our trading partners, and we continue to focus on these issues.

And, also, on Russia's accession negotiations in Geneva, this has been a primary focus for us to make sure that the current sanitary and phytosanitary problems we have faced—

The CHAIRMAN. Right.

Mr. SIDDIQUI [continuing]. In recent years, make sure that we get—

The CHAIRMAN. How much progress are we making with Russia?

Mr. SIDDIQUI. We are in the middle of those negotiations, Mr. Chairman, and we are focused on three fronts. One is, of course, a more robust market access for our products like beef and pork and poultry; number two, making sure that Russia commits—as they become a member of the WTO—they commit to comply with the WTO's sanitary and phytosanitary agreement; and, number three, on their domestic support, these negotiations are in a very sensitive stage as we talk and, hopefully, that working party report will show that sometime later this fall.

The CHAIRMAN. Well, thank you very much. That encourages me. Be firm—fair, but firm. As Ambassador Punke said, no deal is better than a bad deal, and that is a basic principle this committee, I think, abides by.

We want to reach deals, reach agreements, but make sure they are fair.

Mr. Piquado, any thoughts?

Mr. PIQUADO. Thank you, Mr. Chairman.

I would just say that, if confirmed, I look forward to vigorously enforcing the trade remedy laws in support of the President's National Export Initiative, and to working with you and other members of the committee on trade remedy matters.

The CHAIRMAN. Mr. Johanson?

Mr. JOHANSON. Yes, Mr. Chairman. First of all, it has been a great privilege to work here at the committee for the past 8-plus years.

I would like to assure you that, if I am confirmed as a Commissioner on the U.S. International Trade Commission, I will administer the trade remedy laws in a fair and objective manner, and in accordance with statutory requirements, and I will take my statutory obligations very seriously.

The CHAIRMAN. Well, I know that you will. That is not going to be a question at all. I just wish you very, very good luck, as these are not easy jobs, particularly in these times. We have no choice but to just keep doing the best we can, keep a positive and constructive attitude in all of the jobs that we have, just keep going.

We have no other choice, and I know you will do that. And I, again, thank you very much for your service and thank your families for your service, because this is all teamwork. But thank you very much.

We will try to get your nominations up and confirmed as quickly as possible. Thank you very much, and good luck.

The hearing is adjourned.

[Whereupon, at 5:10 p.m., the hearing was concluded.]

A P P E N D I X

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

**Hearing Statement of Senator Max Baucus (D-Mont.)
Urging the Approval of Five Tax Court, Trade Nominees
*As Prepared for Delivery***

President Woodrow Wilson once said, "There is no higher religion than human service. To work for the common good is the greatest creed."

Today, we consider the nominations of five devoted public servants who will work for the common good.

Four of you have been asked to help move our nation's trade agenda. By moving this agenda, we will open foreign markets to American products and boost our economy, but we must do so in a manner that puts American jobs first. That is why it is time to swiftly pass the bipartisan Trade Adjustment Assistance deal and our pending Free Trade Agreements with Colombia, Panama and Korea, and that is why it is time to renew our expired trade preference programs.

Ambassadors Punke and Siddiqui, you know the task ahead. You were both voted unanimously out of the Finance Committee last year. You have served admirably as recess appointments and have been nominated again. You both must continue to fight for American workers, entrepreneurs, ranchers and farmers so that they can help the economy grow and create jobs.

Ambassador Punke, you have been nominated to be the Deputy U.S. Trade Representative and Ambassador to the World Trade Organization, or WTO. We Montanans know that you have the courage, intelligence and creativity to meet this challenge.

The WTO is the primary tool through which we can open fast-growing international markets, including China, India and Brazil. Accessing these markets will grow our exports and increase jobs, but once these countries open their doors, you must prevent them from building new barriers to block trade.

Ambassador Siddiqui, you have been nominated to be Chief Agricultural Negotiator at USTR. America produces some of the world's best agricultural products, including the top-quality beef and wheat produced in my home state of Montana, but some countries erect unscientific barriers to our agricultural exports. You must do everything in your power to remove those barriers. You must push our trading partners to adhere to internationally-accepted scientific standards.

Mr. Piquado, you have been nominated to be the Assistant Secretary for Import Administration at the Department of Commerce. You will be tasked with enforcing our nation's antidumping and countervailing duty laws. These laws help safeguard U.S. jobs and commerce by stemming unfairly-

traded imports. You also will be responsible for monitoring trade in key sectors, including lumber, steel and textiles.

Mr. Johanson, you have been nominated to be a Commissioner at the United States International Trade Commission, or ITC. This comes after many years of work here on the Finance Committee. Your years of service with this Committee will serve you well in your new role.

If confirmed, I know you will enforce U.S. antidumping and countervailing duty laws fairly and objectively, so that our manufacturers and workers can compete here at home. And I know you will enforce U.S. intellectual property rights, which is critical to innovative American companies.

Judge Gale, you have been nominated to serve a second term on the United States Tax Court. You will draw on your experience to ensure that U.S. tax laws are applied fairly and consistently.

President Clinton first nominated you based on your expertise and the reputation you earned as the Finance Committee's Chief Tax Counsel and Staff Director. President Obama nominated you for a second term based on your performance on the court and the reputation you have earned from your peers.

Once confirmed, I am confident each of you will be successful in the positions in which you will serve. I know you will work toward the common good. And I am sure your service to your country and your fellow Americans will represent us honorably around the globe, help our economy grow, create jobs and ensure justice here at home.

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**Opening Statement of Judge Joseph H. Gale
Nominee for Judge, US Tax Court
Senate Committee on Finance
September 12, 2011**

Mr. Chairman, Ranking Member Hatch, and distinguished members of the Committee on Finance, it is a privilege to be here today and I want to thank you for scheduling this hearing to consider my nomination to a second term on the United States Tax Court. I am very grateful to President Obama for nominating me and to the Committee for such prompt consideration of my nomination. In that regard, I am especially grateful to the Committee staff on both sides for their diligent efforts to complete the processing of my nomination when they had other pressing matters to handle as well.

I would also like to introduce members of my family who are here today. First my mother, Charlotte Gale, and my brother, Hutter Gale, who have traveled up from Smithfield, Virginia, to be here. They made the same trip almost 16 years ago and are hoping for the same outcome. I want to thank my mother for all of her love and support for more years than either of us wants to count. And finally my partner of more than 24 years, Will Hopkins, whose love, support, and wise counsel have been a bedrock for me over those years.

It is also with a wonderful sense of nostalgia that I sit in this hearing room. I spent so many hours here, from early 1985 through 1995, as a tax staffer for Senator Moynihan and later as the Finance Committee's Chief Tax Counsel. I was privileged to work on the 1986 Tax Reform Act, which was certainly one of this Committee's greatest achievements, as well as the 1993 Deficit Reduction Act. Those were some of the most exhilarating times of my professional career.

For the past 15 and a half years, I have been honored and privileged to serve as a Judge of the U.S. Tax Court. I have tried to resolve disputes between taxpayers and the Internal Revenue Service by applying the tax laws in the manner intended by Congress. Hopefully, I have made the process less daunting for taxpayers who find themselves in Tax Court without counsel. If confirmed by the Senate for another term, I will certainly continue to work diligently to resolve tax controversies fairly and expeditiously in accordance with Congressional intent.

Mr. Chairman, I am certainly happy to answer any questions from the Committee.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)
Joseph Harold Gale
2. Position to which nominated:
Judge, United States Tax Court
3. Date of nomination:
July 11, 2011
4. Address: (List current residence, office, and mailing addresses.)
Current residence:

Office:

Mailing:
5. Date and place of birth:
August 26, 1953
Suffolk, VA

6. Marital status: (Include maiden name of wife or husband's name.)
7. Names and ages of children:
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Smithfield High School
Smithfield, VA
Sept. 1967- June 1971
Diploma, 1971

Princeton University
Princeton, NJ
September 1971 - January 1973
January 1974 - June 1976
A.B., Philosophy, June 8, 1976

University of Virginia School of Law
Charlottesville, VA
September 1977 - May 1980
J.D., May 18, 1980

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

Scheduler for Andrew P. Miller
Candidate for Democratic Nomination for Governor of Virginia
Miller for Governor Campaign Committee
E. Main Street
Richmond, VA
August 1976 - June 1977

Paralegal
Career Blazers Temporary Personnel
500 5th Avenue
New York, NY
June 1978 - August 1978

Legal Researcher
Abkco Music, Inc.
1700 Broadway
New York, NY
June 1978 - August 1978

Summer Associate Attorney
Brown & Wood (now Sidley Austin)
787 7th Avenue
New York, NY 10019
June 1979 - August 1979

Associate Attorney
Dewey Ballantine Bushby Palmer & Wood (now Dewey & LeBoeuf)
1101 New York Avenue, NW
Washington, DC 20005
September 1980 - February 1983

Associate Attorney
Dickstein, Shapiro & Morin (now Dickstein Shapiro)
1825 I Street, NW
Washington, DC 20006
February 1983 - January 1985

Tax Legislative Counsel
Office of Senator Daniel Patrick Moynihan (D-NY)
464 Russell Senate Office Building
Washington, DC 20510
January 1985 - January 1989

Administrative Assistant & Tax Legislative Counsel
Office of Senator Daniel Patrick Moynihan (D-NY)
464 Russell Senate Office Building
Washington, DC 20510
January 1989 - December 1989

Chief Counsel
Office of Senator Daniel Patrick Moynihan (D-NY)
464 Russell Senate Office Building
Washington, DC 20510
January 1990 - January 1993

Chief Tax Counsel
U.S. Senate Committee on Finance
205 Dirksen Senate Office Building
Washington, DC 20510
January 1993 - January 1995

Chief Tax Counsel - Minority
U.S. Senate Committee on Finance
205 Dirksen Senate Office Building
Washington, DC 20510
January 1995 - July 1995

Staff Director & Chief Counsel - Minority
U.S. Senate Committee on Finance
205 Dirksen Senate Office Building
Washington, DC 20510
July 1995 - January 1996

Judge
U.S. Tax Court
400 Second Street, NW
Washington, DC 20217
February 1996 - present

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

None

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

None

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Fellow, American College of Tax Counsel 1997 to present
International Association of Lesbian and Gay Judges 1998 to present

Rappahannock Animal Welfare League 2000 to present
 Rappahannock Association for the Arts and the Community 2003 to present
 Rappahannock County Conservation Alliance 2000 to present
 Rappahannock County Historical Society, 2005-present
 University of Virginia School of Law Tax Study Group 1993 to present
 Colonial Club of Princeton University, 1973 to present
 Fund for Reunion/Princeton BTGALA (gay alumni assoc.) 1985 to present

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.

None

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None

c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

None

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

**Dillard Fellow, University of Virginia School of Law
 Valedictorian, Smithfield High School, Smithfield, VA**

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

"Passive Loss Limitation Rules", Federal Bar Association Section of Taxation Report (Winter 1987).

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with **two** copies of each formal speech.)

None

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I have over 15 years of experience as a Judge on the U.S. Tax Court, in which I heard and decided cases and motions covering all aspects of the Tax Court's jurisdiction. Prior to my appointment to the Court, I had 15 years of experience as an attorney specializing in Federal income tax matters, over 10 of which involved substantial responsibility as a Congressional staff member in the development and passage of Federal tax legislation.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I have no connections with any employer other than the U.S. Tax Court or with any other business firm, association or organization.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

I expect to serve out my term until either reaching age 65, at which time I become eligible to retire, or reaching age 70, at which time my retirement is required by law.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

Since I directly own common stock of certain U.S. corporations, it is possible that a potential conflict of interest could arise if one of these corporations were a party in a case before me or in which I was otherwise called upon to exercise judicial authority. If this were to occur, I would take whatever steps were necessary or appropriate under the rules of the U.S. Tax Court, the Code of Conduct for United States Judges, or 28 U.S.C. sec. 455, to resolve the conflict, including recusal.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

I will take whatever steps are necessary or appropriate under the rules of the U.S. Tax Court, the Code of Conduct for United States Judges, or 28

U.S.C. sec. 455, to resolve any potential conflicts of interest, including recusal.

5. **Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.**

Not applicable.

6. **The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:**

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

N/A

D. LEGAL AND OTHER MATTERS

1. **Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.**

No.

2. **Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.**

See D. 4 below.

3. **Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.**

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

In November 1971, at age 18, I was found guilty of trespassing for having been on the grounds of Smithfield (VA) High School after hours. The court did not impose a fine, but only court costs of \$6 (General District Court of Smithfield, VA).

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

UNITED STATES SENATE COMMITTEE ON FINANCE
 NOMINATION HEARING, SEPTEMBER 12, 2011
 QUESTIONS FOR JUDGE JOSEPH GALE

QUESTIONS FROM SENATOR HATCH

1. There are over 20,000 petitions filed per year with the Tax Court. There are 19 judges on the Tax Court. That's more than 1,000 petitions per judge per year. Or, more than 20 petitions per judge per week. Is the caseload excessive? Or perhaps enough cases are settled before they get to you that it is not too excessive? If the caseload is excessive, what, if anything, should Congress do about that?

Answer: The Tax Court has a very high settlement rate but currently has several vacancies. Assuming those vacancies are filled, the Court's workload is not excessive. From 2009 until last month, the Tax Court was comprised of 32 judicial officers, including active Presidentially-appointed judges, senior judges (i.e., Presidentially-appointed judges continuing to perform judicial duties on recall), and special trial judges (i.e., officers appointed by the chief judge to handle small tax cases). On August 4, 2011, the termination of the recall of one senior judge reduced the number of judicial officers to 31. Because of judicial vacancies and a reduction in the number of special trial judges, the number of judicial officers is lower than in prior years. In 2009-2010, each of the 32 judicial officers closed, on average, about 950-975 cases per year.

In calendar year 2000, 13,545 cases were filed. The number of cases filed per year increased gradually throughout the decade, reaching 31,195 in calendar year 2008, 31,101 in calendar year 2009, and 29,540 in calendar year 2010. These heavy filing trends are continuing in 2011. Thus, 20,001 cases were filed in the first 8 months of 2010, and 20,083 cases were filed in the first 8 months of 2011. In 2008, the Tax Court began calendaring more cases per week of trial session with the goal of remaining current in our work despite the increased caseload. As a result, the Tax Court closed 31,001 cases in calendar year 2008, 31,373 cases in calendar year 2009, and 31,410 cases in calendar year 2010. Thus, in calendar years 2008-2010, 91,836 cases were filed and 93,784 cases were closed.

2. Taxpayers, if they are able to pay the disputed tax prior to litigation, have essentially three different Federal courts to litigate in: the district court, the Court of Claims, and the Tax Court. Do you believe this creates an opportunity for forum shopping? Are taxpayers able to pick and choose their court based on where favorable precedents might be? If so, what, if anything, should be done about that?

Answer: While the possibility of forum shopping certainly exists, given the choice of courts available under long-standing law,¹ the actual incidence of forum shopping would appear to be minimal. Since 2005, 96 percent of all docketed tax cases have been filed in the Tax Court.

¹ In recent years, Congress has conferred exclusive jurisdiction on the Tax Court to hear certain tax matters, including review of the Treasury Secretary's refusal to abate interest, his denial of an administrative claim for "innocent spouse" relief, and his decision to proceed with collection actions.

Thus, it would appear that the ability to litigate a tax dispute in the Tax Court prior to payment, as opposed to suing for a refund in a District Court or the Court of Federal Claims, is the predominant factor driving the choice of forum by taxpayers. Other features of Tax Court litigation, designed to reduce complexity and expense, may also influence the choice of that court, including mandatory informal pretrial consultation between the parties (see Branerton v. Commissioner, 61 T.C. 691 (1974)), mandatory pretrial stipulation of facts to reduce evidentiary objections at trial, more restrictive use of depositions, and simplified procedures available to taxpayers who elect to have their cases conducted as small tax cases.

Moreover, the opportunity to forum shop on the basis of more favorable precedent is limited in the case of a choice between the Tax Court and a District Court. Pursuant to our holding in Golsen v. Commissioner, 54 T.C. 742, 757 (1970), affd. 445 F.2d 985 (10th Cir. 1971), the Tax Court follows precedent established by the U.S. Court of Appeals to which the case would be appealable; that is, the Court of Appeals for the circuit in which the taxpayer resides or has its principal place of business. The District Court available to that taxpayer would be bound by the same Court of Appeals precedent being followed by the Tax Court pursuant to the Golsen doctrine. Thus, the impact of case precedent is largely neutralized as a factor in the choice between the Tax Court and a District Court. While the Golsen doctrine has no impact on the choice between the Tax Court and the Court of Federal Claims, the differences in case precedent between the two courts do not, generally speaking, appear to affect a significant number of cases.

**STATEMENT OF HON. ORRIN G. HATCH, RANKING MEMBER
U.S. SENATE COMMITTEE ON FINANCE HEARING OF SEPTEMBER 12, 2011
NOMINATIONS OF JOSEPH H. GALE, MICHAEL W. PUNKE, ISLAM A. SIDDIQUI,
PAUL PIQUADO, AND DAVID S. JOHANSON**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks during a Senate Finance Committee hearing considering the nominations of Joseph H. Gale, Michael W. Punke, Islam A. Siddiqui, Paul Piquado, and David S. Johanson:

Thank you Mr. Chairman. I welcome the opportunity today to hear from our trade and tax nominees in this open forum. I appreciate their presence here today as well as their willingness to serve.

I extend a special welcome to Judge Gale and David Johanson. Judge Gale has served as a tax court judge since 1996 and, before that, as Chief Tax Counsel of this Committee.

David Johanson has been nominated to be a member of the United States International Trade Commission. David, I see you've brought your family, and I'm proud to welcome them to this hearing. I especially want to thank your parents for coming in from Texas and your wife and children for supporting you through all the long nights, weekends and holidays you've spent away from them during your government service. Mr. Johanson has served the Committee for many years, first under the leadership of Senator Grassley and now under my tenure as ranking member. David, we appreciate your eight years of distinguished service to this Committee and wish you well in your new endeavors.

We have accomplished a lot in those eight years. Under President Bush we renewed trade promotion authority and worked together to pass trade agreements with 14 countries, providing a significant boost to the U.S. economy. We also used that trade promotion authority to negotiate our pending trade agreements with Colombia, Panama and South Korea. Unfortunately, we are still waiting on President Obama to submit these agreements to Congress for a vote. The President's own statistics say that these agreements will create 250,000 new jobs. With an unemployment rate at 9.1 percent, I simply cannot understand the President's continued delay. I am confident that, once the President submits these agreements, they will pass Congress with broad bipartisan support.

There are a number of other vexing trade problems our nominees will continue to grapple with. The Doha Round of negotiations appear to be on the cusp of total failure. China continues to pursue policies that boost its growth at our expense. And, other countries around the world continue to negotiate trade agreements that exclude the United States, putting U.S. exporters at a serious disadvantage.

The President's response is to set a goal to double exports over five years. I appreciate the goal. But everyone knows that a goal without a plan is nothing more than false hope. In order to succeed you need a solid plan and the right tools to make that plan a success. That is why the President's timid interest in renewal of Trade Promotion Authority troubles me.

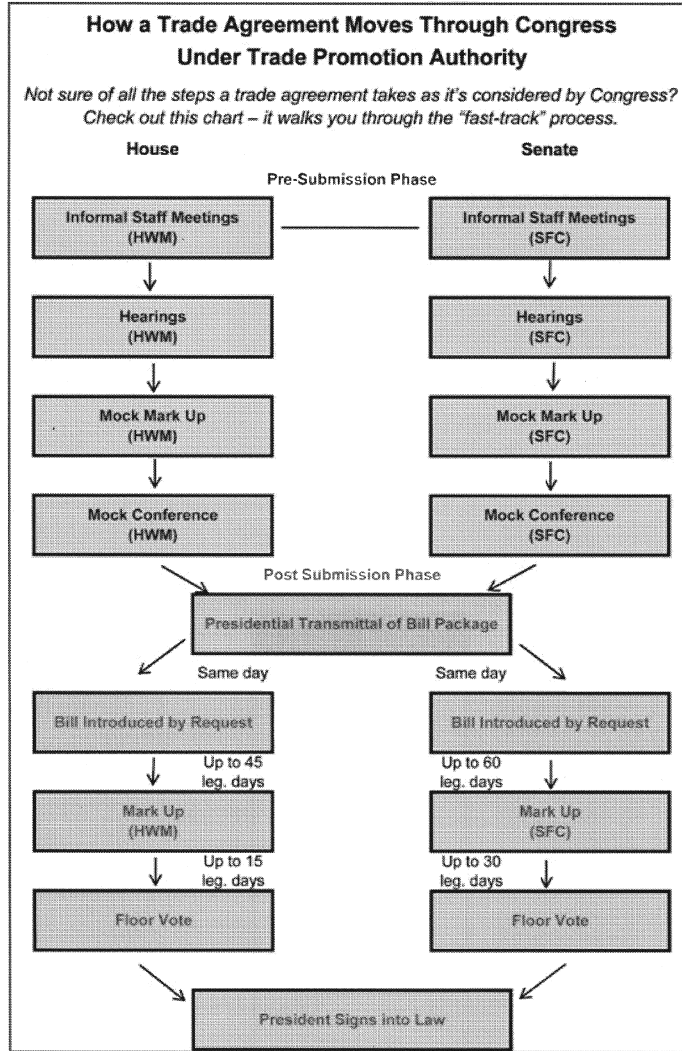
History shows that trade agreements boost exports. In 2010 trade with our FTA partners totaled 1 trillion dollars, or more than one-third of the US merchandise trade with the world, according to the International Trade Commission. The Commission also reported a merchandise trade surplus with more than half of our FTA partners while continuing to report a deficit with our non-FTA partners.

The President has filled this trade vacuum by latching onto negotiations to create a Trans-Pacific Partnership. Again, I appreciate this laudable goal. But I simply can't understand how the President, and by extension the United States, will achieve its goal of concluding the TPP agreement without Trade Promotion Authority. The President's lack of commitment to a vigorous market-opening trade agenda is not only disappointing; it continues to hold our workers and economy back from reaching their highest potential.

Thank you Mr. Chairman. I look forward to hearing from our nominees.

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SUBMITTED BY SENATOR HATCH



Statement of David S. Johanson
Nominee for Commissioner on the U.S. International Trade Commission
Hearing of the Senate Finance Committee
September 12, 2011

Chairman Baucus, Ranking Member Hatch, and other members of the Finance Committee, I am honored to appear before you today as the President's nominee for the position of Commissioner on the U.S. International Trade Commission.

I seek this position after having spent the past eight years serving as International Trade Counsel on this committee, currently under Ranking Member Hatch and formerly under prior Chairman and Ranking Member Grassley. I would like to thank Senator Hatch and Senator Grassley for providing me with the tremendous opportunity to work for them. I have consistently found my job at the Finance Committee interesting and challenging. I attribute my positive experiences of the past several years primarily to the two Senators to whom I have reported on this committee. I appreciate as well having had the opportunity to work with Senator Baucus and his Finance Committee staff.

I would like to express my gratitude to Republican Leader McConnell for his support of my nomination.

I would also, of course, like to thank my wife Lynn and my other family members for their understanding and support over the years.

While my experience in the Senate has been positive, I look forward, if confirmed, to new challenges as a Commissioner on the U.S. International Trade Commission. I am confident that my background prepares me well for the position of Commissioner.

I have approximately fifteen years of experience in the field of international trade law. Much of my work has directly involved the Commission. While employed in the Senate, I have participated in the drafting of requests to the Commission for section 332 investigations, miscellaneous tariff bill reports, and other technical trade analyses. Many of these requests have involved agricultural trade, an area on which I have focused throughout my career. The resulting reports and data prepared by the Commission have been integral to my work as a member of the Finance Committee staff. I formerly practiced international trade law at a law firm in Washington, D.C., and in that capacity I had the opportunity to learn first-hand the Commission's role in administering the trade remedy laws. Moreover, the Commission maintains the Harmonized Tariff Schedule of the United States, which I have utilized on a regular basis from my earliest days of practicing law to the present. I have often communicated with the Commission on matters pertaining to the Harmonized Tariff Schedule. Given my frequent interactions with the Commission, I am familiar with the functions of this agency and the laws and regulations administered by it.

Of all my qualifications, I believe that my tenure on the staff of the Finance Committee would in particular benefit me as a Commissioner. Through my work on this committee, I know well the importance that Congress places on the activities of the Commission.

I recognize that Congress is principally interested in two statutory functions of the Commission: first, the Commission's administration of the trade remedy laws, and second, its role in providing Congress with independent analysis and information on matters relating to international trade. If confirmed, I assure the Finance Committee that I will administer the trade remedy laws in accordance with congressional intent. I will apply these laws in a fair and objective manner, and my decisions will be based on the facts. I will also be responsive to requests from Congress concerning trade information, trade analysis, and related matters.

It has been a privilege to serve in the position of International Trade Counsel at the Finance Committee. If confirmed, I will miss this committee and my colleagues here. I look forward, however, to the possibility of continuing to work with the Finance Committee as a Commissioner on the U.S. International Trade Commission.

I thank the Finance Committee for its consideration of my nomination.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)
David Stanley Johanson
2. Position to which nominated:
Commissioner, U.S. International Trade Commission
3. Date of nomination:
April 8, 2011
4. Address: (List current residence, office, and mailing addresses.)
Residence:

Office:
5. Date and place of birth:
**February 25, 1964
Austin, Texas**
6. Marital status: (Include maiden name of wife or husband's name.)

7. Names and ages of children:
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)
- University of Texas School of Law. Attended 1990-1993. J.D. degree, May 1993.
 - Cambridge University. Attended 1989-1990. M.Phil. degree, October 1990.
 - Stanford University. Attended 1983-1987. B.A. degree, June 1987.
 - Columbia University. Attended 1982-1983. No degree (transferred after freshman year).
 - Austin High School (Austin, Texas). Attended 1978-1982. High School degree, May 1982.
9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
- International Trade Counsel, Committee on Finance, U.S. Senate, Washington, D.C. March 2003 – present.
 - Associate Attorney, Stewart and Stewart, Washington, D.C. January 1997 – February 2003.
 - Legislative Director, Office of Representative George Radanovich, U.S. House of Representatives, Washington, D.C. January 1995 – January 1997.
 - Legislative Assistant, Office of Representative Wally Herger, U.S. House of Representatives, Washington, D.C. November 1993 – January 1995.
 - Summer Law Clerk, Vial, Hamilton, Koch & Knox, Dallas, Texas. July – August 1992.
 - Summer Law Clerk, Laffan, Mues & Kaye, Mexico City, Mexico. July – August 1991.
 - Hiking Guide, Village Camps, Founex, Switzerland. July – August 1989.
 - Legislative Correspondent, Office of Senator Phil Gramm, U.S. Senate, Washington, D.C. May 1988 – May 1989.
 - Staff Assistant, Senate Republican Conference, U.S. Senate, Washington, D.C. February – May 1988.
 - Intern, Office of Planning and Development, American University in Cairo, Cairo, Egypt. August 1987 – January 1988.

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)
- **Intern, Office of Legislative Affairs, U.S. Department of State, Washington, D.C. June – August 1985.**
 - **Intern, Office of Representative Jake Pickle, U.S. House of Representatives, Washington, D.C. June – August 1983.**
11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)
- Not applicable.**
12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)
- **Member, Bar of the District of Columbia.**
 - **Member, Bar of the State of New York.**
 - **Member, Bar of the Commonwealth of Pennsylvania (inactive).**
 - **Member, Chesterbrook Swim and Tennis Club, McLean, Virginia.**
 - **Member, Stanford Alumni Association.**
13. Political affiliations and activities:
- a. List all public offices for which you have been a candidate.
- Not applicable.**
- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
- **Fairfax County Republican Committee, participated in leaflet drop-off, November 4 and 5, 2006.**
 - **Legal Volunteer, Republican National Committee, Las Vegas, Nevada, October 31 – November 2, 2004.**

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

Not applicable.

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

- Lincoln Fellow, Claremont Institute, 1996.
- English Speaking Union Scholarship (for attendance at Cambridge University), 1989.

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

A Nexus of Trade and the Environment: The Relationship Between the Cartagena Protocol on Biosafety and the SPS Agreement of the World Trade Organization, with Terence P. Stewart, 14 *Colorado Journal of International Environmental Law & Policy* 1 (2003).

The Codex Alimentarius Commission and Agricultural Biotechnology: Will Codex Standards Be Based Upon Proposed Regulations of the European Union?, with Terence P. Stewart, *Agricultural Sanitary & Phytosanitary and Standards Report*, January 2002, at 1.

The Biosafety Protocol: New International Biotechnology Agreement Provides Fodder for Legal Ruminations, with Thomas P. Redick, *International Environmental Law Committee Newsletter* (American Bar Association Section on Environment, Energy and Resources), March 2000, at 11.

Policy in Flux: The European Union's Laws on Agricultural Biotechnology and Their Effects on International Trade, with Terence P. Stewart, 4 *Drake Journal of Agricultural Law* 243 (1999).

The SPS Agreement of the World Trade Organization and the International Trade of Dairy Products, with Terence P. Stewart, 54 *Food and Drug Law Journal* 55 (1999).

The SPS Agreement of the World Trade Organization and Plant Pest Infestations: A Case Study of the 1997 Mediterranean Fruit Fly Outbreak in Florida, with Terence P. Stewart, 14 American University International Law Review 1107 (1999).

The WTO Beef Hormone Dispute: An Analysis of the Appellate Body Decision, with Terence P. Stewart, 5 Journal of International Law & Policy (University of California at Davis) 219 (1999).

The SPS Agreement of the World Trade Organization and International Organizations: The Roles of the Codex Alimentarius Commission, the International Plant Protection Convention, and the International Office of Epizootics, with Terence P. Stewart, 26 Syracuse Journal of International Law and Commerce 27 (1998).

Commentary on the Agreement on the Application of Sanitary and Phytosanitary Measures, in Law & Practice of the World Trade Organization (Joseph F. Dennin ed., 1997).

The WTO Beef Hormone Decisions, with Terence P. Stewart, Agricultural Sanitary & Phytosanitary and Standards Report, November 1997, at 1.

The U.S. and EU Veterinary Equivalency Agreement, with Terence P. Stewart, Agricultural Sanitary & Phytosanitary and Standards Report, June 1997, at 1.

Eliminating Phytosanitary Trade Barriers: The Effects of the Uruguay Round Agreements on California Agricultural Exports, with William L. Bryant, 6 San Joaquin Agricultural Law Review 1 (1996).

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

International Trade Agreements and Agriculture, presented to the Farm – Church Discussion Group, Iowa Farm Bureau Federation, September 12, 2008, West Des Moines, Iowa.

The Senate Finance Committee has received two copies of this speech.

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I have approximately fifteen years of experience in the field of international trade law. While serving in my current position as International Trade Counsel at the Senate Finance Committee, I have interacted on a frequent basis with the U.S. International Trade Commission. As an attorney at a law firm, I practiced before the U.S. International Trade Commission. Accordingly, I am familiar with the functions of this agency as well as the laws and regulations administered by it.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I will sever connections with my present employer. Please note that I will retain my memberships in the organizations listed at A(12) on page 3.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

I own stocks in certain companies. In connection with the nomination process, I consulted with the Office of Government Ethics and the Designated Agency Ethics Official of the U.S. International Trade Commission to identify potential conflicts of interest concerning these investments. Potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I entered into with the Designated Agency Ethics Official of the U.S. International Trade Commission. This ethics agreement has been provided to the Finance Committee.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

While an attorney in private practice, I represented clients in proceedings before the U.S. International Trade Commission. Conflicts may arise if matters involving my former clients come before the agency.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

Between 2001 and 2003, I participated in the drafting of comments submitted on behalf of clients to the U.S. International Trade Commission and/or the U.S. Trade Representative with regard to potential free trade agreements between the United States and Australia, Chile, and Singapore; on the potential Free Trade Area of the Americas; on Doha Round negotiations of the World Trade Organization; on existing trade agreements to which the United States is a party; and on the probable economic effects of reducing or eliminating certain U.S. tariffs.

Between 2001 and 2003, I advocated on behalf of clients before Congress for the inclusion of certain provisions in the Trade Act of 2002 (Dayton-Craig amendment on the trade remedy laws, and the recognition of the unique characteristics of perishable and cyclical agricultural products in trade); for the inclusion of certain provisions in the 2002 Farm Bill (beef grading, ban on the packer ownership of cattle, and country of origin labeling); for the implementation of the country of origin labeling statute; and for the expansion of the Energy Star program to include additional products.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

With regard to investments, any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I entered into with the Designated Agency Ethics Official of the U.S. International Trade Commission. This ethics agreement has been provided to the Finance Committee.

If potential conflicts arise regarding former clients, I will consult with the Designated Agency Ethics Official of the U.S. International Trade Commission regarding possible recusal.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

The Finance Committee has received these documents from the U.S. International Trade Commission and the Office of Government Ethics.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

Not applicable.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

As the result of an administrative determination, I received a warning letter from the U.S. International Trade Commission on February 22, 2005, for breaching an administrative protective order by failing to destroy two documents in a timely manner. I did not destroy the two documents at issue after the conclusion of an agency investigation – as required by the administrative protective order – as I incorrectly assumed that they fit within a permissible exception to destruction, i.e., pending litigation. Upon the discovery of the breach, the documents were destroyed. After sending the warning letter, the agency took no further action.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

No additional information.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

David S. Johanson
Nominee for Commissioner on the U.S. International Trade Commission
Responses to Questions for the Record from Senator Debbie Stabenow
September 21, 2011

1. Michigan has been hit hard by other countries' unfair trade practices. Too often, countries like China dump their products in the U.S. and subsidize their industries so they get an unfair advantage. I believe our workers and companies can compete against anyone in the world when they do so on a fair basis. We have trade laws in order to combat these unfair trade practices, and it is critical that they be effectively enforced. Can you assure me that you will continue to enforce these trade laws and follow Congressional intent in how these laws are applied by the International Trade Commission?

If confirmed, I would administer the trade remedy laws in accordance with congressional intent. I would apply these laws in a fair and objective manner, and my decisions would be based on the facts.

2. As a Commissioner, how would you decide what constitutes "material injury" in antidumping and countervailing duty cases? Do you believe it is appropriate for the Commission to try to determine what the "appropriate" level of profit for an industry is when determining whether unfairly-traded imports are having a materially adverse effect? Or do you think it is more appropriate for the injury determination to be based on whether an industry's performance is worse than it would have been without the unfairly-traded imports?

If confirmed, any decisions that I would make with regard to material injury would be based on the statute, on congressional intent, and on the facts of each investigation. Under the statute, the Commission is required to examine several factors when determining material injury, and profitability is one of these factors. However, the statute also instructs that no single factor is necessarily dispositive. Consequently, I would examine all of the relevant statutory factors in considering whether a domestic industry is materially injured by reason of subject imports. I view the statute as requiring the Commission to make affirmative injury determinations when a domestic industry's performance is negatively impacted so as to be materially injured by imports of merchandise that, as determined by the Department of Commerce, is provided a countervailable subsidy or is being sold – or is likely to be sold – at less than fair value. The Commission has determined in past investigations that an industry may be materially injured even when its operations are profitable.

3. How do you believe the Commission should handle non-cooperative foreign producers? Current law gives the Commission the power to make adverse inferences when a party does not cooperate in a Commission investigation. If the Commission does not somehow penalize non-cooperative parties, isn't it reasonable to expect that parties with a weak case will simply choose not to participate?

If the Commission finds that an interested party has failed to cooperate in an investigation, the Commission may by statute use adverse inferences in making antidumping and countervailing duty determinations, and the Commission has done so on occasion. It is more common, however, for the Commission to use facts available in such circumstances, *e.g.*, in instances in which the responses of the respondent group in a five-year ("sunset") review are found to be inadequate.

When respondents are uncooperative with data requests, the facts available used by the Commission frequently consist of data from the original investigation or previous reviews, which were investigations that necessarily resulted in affirmative determinations. Any determinations that I would make as a Commissioner – including whether to use adverse inferences – would of course depend on the facts of each investigation.

Statement of Paul Piquado

**Nominee for Assistant Secretary of Commerce for Import Administration
U.S. Department of Commerce
Nomination Hearing before the Senate Finance Committee**

September 12, 2011

Thank you, Chairman Baucus, Ranking Member Hatch, and members of the Committee. I am deeply honored to be here today as President Obama's nominee to be Assistant Secretary of Commerce for Import Administration. I am thankful to have had the privilege to serve in the Import Administration as the Deputy Assistant Secretary for Policy and Negotiations for the past year and a half, and I am humbled by the confidence that the President has placed in me in nominating me for this position. I would also like to thank Former Secretary of Commerce and now Ambassador Gary Locke and Under Secretary Francisco Sanchez for their leadership and support of my nomination, as well as the members of the Committee and committee staff with whom I have met during the past weeks.

I would also like to publicly thank and acknowledge my parents, John and Dorothy Piquado who, as school teachers, instilled in me at a very young age an interest in international affairs and public service, my grandfather Carl Piquado who, with my grandmother Alice, raised six children working as a stonemason, my sister Laura, and especially my wife Meredith Weaver for her tremendous support and love. Many others, including my extended family, and friends and colleagues too numerous to name—many of whom are here today—also deserve recognition for their support and to whom I am forever grateful.

Mr. Chairman, if confirmed, I will have the great privilege of leading the dedicated team of public servants at the Import Administration. The Import Administration plays a critical role in helping to ensure that America's businesses and workers have the opportunity to compete against their foreign counterparts on a level playing field by remedying distortions in the market that are caused by the unfair dumping or subsidization of goods sold in the United States. The agency also plays an increasingly important role in maintaining important export markets for U.S. firms overseas both by helping to ensure that foreign trade remedy actions that may target U.S. products are conducted transparently and in accordance with international rules, and by administering the Foreign Trade Zones program.

These activities are critically important to help safeguard jobs and support the competitive strength of American industry both in the United States and overseas. Given this, if confirmed, I will be guided by one single objective, to ensure that the laws and programs within the jurisdiction of the Import Administration are applied and enforced as fully and robustly as possible, in a manner that is as open and transparent as possible. The robust enforcement of the trade laws is one of the pillars of President Obama's National Export Initiative, which is an initiative that is designed to double U.S. exports within 5 years in support of millions of jobs.

President Obama said that "When the playing field is even, nobody can beat us." I agree. America's businesses and workers are among the most productive, skilled, and educated in the world, and they do not fear competition. All they want is to know that everyone, including their foreign competitors, plays by the same rules and that free trade is also fair trade. The trade remedy laws, which were first created by Congress nearly a century ago, provide parties that demonstrate that they have been subject to unfair trade with a reliable and impartial mechanism to help achieve this goal. If confirmed, I will work every day to ensure that the AD/CVD laws are vigorously applied, whenever and wherever the evidence demonstrates that foreign governments or firms have unfairly subsidized or dumped products sold in the United States.

I am particularly motivated to take up this important role in part because I have spent a good portion of my professional career working on international trade matters, and I understand the very real impact that unfair trade can have on the economy and jobs in communities across the country.

As the principal advisor to Governor Rendell on trade and investment policy, I had the opportunity to help develop strategic guidance on an array of international trade and economic policy matters intended to promote job creation and ensure that Pennsylvania's businesses and workers could compete and win in the global economy. This included working to assist firms that were suffering from the effects of unfairly traded goods. In addition, in my current position I have had the opportunity to help oversee the formulation and implementation of policies governing the administration of the AD/CVD statutes, and, working with counterparts in the Office of the U.S. Trade Representative, to help develop the government's positions in ongoing trade remedy negotiations. Before entering government service I also had the opportunity to advise parties on a variety of trade matters including, among other things, working on World Trade Organization disputes. I believe that this experience will greatly assist me in performing my responsibilities as Assistant Secretary should I be confirmed.

In conclusion, Mr. Chairman and Ranking Member Hatch, I would like to thank you and the other members of the Committee for the great privilege of being considered by this body for this important position. If confirmed, I look forward to working closely with you to ensure the trade remedy laws are transparently and vigorously enforced. Thank you and I would be happy to answer any questions you may have.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

- 1. Name: (Include any former names used.)**
Paul Piquado
- 2. Position to which nominated:**
Assistant Secretary of Commerce for Import Administration
- 3. Date of nomination:**
March 4, 2011
- 4. Address: (List current residence, office, and mailing addresses.)**
Residence
Office
- 5. Date and place of birth:**
July 3, 1970, Silver Spring, MD
- 6. Marital status: (Include maiden name of wife or husband's name.)**
- 7. Names and ages of children:**

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Fletcher School of Law & Diplomacy, Tufts University. Attended periodically between 09/1995 and 05/1999 as part of joint degree program. M.A. in Law & Diplomacy issued 12/1999.

New York University School of Law. Attended between 09/1997 and 05/1999. J.D. issued 05/1999.

Boston College School of Law. Attended between 08/1996 and 05/1997.

Williams College. Attended between 09/1989 and 06/1993. B.A. issued 06/1993.

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

U.S. Department of Commerce, Import Administration, Washington, DC. Deputy Assistant Secretary for AD/CVD Policy & Negotiations. 3/2010 – Present.

Commonwealth of Pennsylvania, Office of Trade Policy, Washington, DC/Harrisburg, PA. Executive Director. 11/2004 – 3/2010.

Sidley Austin Brown & Wood LLP, Washington, DC. Associate. 06/2002 – 09/2004.

Powell, Goldstein, Frazer & Murphy, LLP, Washington, DC. Summer Associate/Associate. 06/1997 – 08/1997, 08/1998 – 09/1998, 05/1999 – 06/1999, 11/1999 – 05/2002.

Keane & Marlowe, East Brunswick. Law Clerk. 10/1998 – 04/1999.

Kaye, Scholer, Fierman, Hays & Handler LLP, Washington, DC. Summer Associate. 05/1998 – 08/1998.

Industrial Bank of Japan, New York, NY. Summer Researcher. 07/1996 – 08/1996.

Organization of American States, Trade Unit, Washington, DC. Summer Researcher/Consultant. 05/1996 – 07/1996, 08/1996 – 11/1996.

U.S. Department of Justice, Antitrust Division, Washington, DC. Paralegal Specialist. 01/1994 – 08/1995.

Peysner & Associates, Washington, DC. Intern. 09/1993 – 12/1993.

10. **Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)**

Member – Office of the U.S. Trade Representative, Intergovernmental Policy Advisory Committee on Trade (IGPAC), 2005 to 2010.

11. **Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)**

Member – Tipton Tampico, LLC. 2009 – Present.

12. **Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)**

Member – New York State Bar. 2003 – Present.

Member – Massachusetts State Bar. 1999 – Present.

Member – District of Columbia Bar. 2001 – Present.

Member – U.S. Supreme Court Bar. 2003 – Present.

Member – Williams College Alumni Association. 1993 – Present.

Treasurer – Williams College Alumni Association Class of 1993. 2003 – Present.

Associate Class Agent – Williams College Alumni Association Class of 1993. 1994 – Present.

Member – Fletcher School of Law & Diplomacy Alumni Association. 1999 – Present.

Member – NYU School of Law Alumni Association. 1999 – Present.

Member – 1 World Aero & Flight Club. 2008 – Present.

Member – Aircraft Owner & Pilots Association. 2009 – Present.

President – 1801 Wyoming Ave., NW Tenants Association. 2006 – Present.

13. **Political affiliations and activities:**

- a. **List all public offices for which you have been a candidate.**

Write-in candidate for Washington, DC Advisory Neighborhood Commission (unpaid nonpartisan position), November 2008.

- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.**

Democratic party. DNC phone-banking, 2004 and 2008 presidential elections.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.**

To the best of my recollection:

- i. Barack Obama for President (approx. \$200).
- ii. John Kerry for President (approx. \$200).

- 14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)**

US-Spain Council Young Leaders Fellowship, 2008.

European Union Visitors Programme Fellowship, 2006.

German Marshall Fund of the United States, Manfred Worner Fellowship, 2002.

DACOR-Bacon House, Angier Biddle Duke Award Recipient, 1996.

- 15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)**

To the best of my knowledge/recollection:

Brett Kappel & Paul Piquado, Internet Privacy: The Wrong Model, Nat'l L.J., Aug. 27, 2001.

Paul Piquado, Brazil: Culture and Politics in a New Industrial Powerhouse, 30 NYU J. Int'l Law & 475 (Fall 1997/Winter 1998) (Book Annotation).

Paul Piquado, Egypt – A Reader's Guide, U.S. Department of State, Foreign Service Institute, 1992.

16. **Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)**

Remarks to NAFTA Annual Meeting, September 2010, attached.

17. **Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)**

Since March 2010, I have served as Deputy Assistant Secretary for Antidumping and Countervailing Duty Policy and Negotiations in the U.S. Department of Commerce's Import Administration. In this capacity I am, among other things, responsible for overseeing the development and implementation of policies governing the administration of the AD/CVD statutes. I also coordinate within the Import Administration the monitoring and analysis of foreign subsidy and trade remedy actions, including practices that may affect U.S. commercial interests in overseas markets.

Prior to joining the Commerce Department, I served as the executive director of the Office of Trade Policy for the Commonwealth of Pennsylvania, where I was the principal advisor to the Governor on international trade and investment policy, and as a cleared external advisor to USTR's Intergovernmental Policy Advisory Committee on Trade.

Before entering government service, I worked in private law practice at Sidley Austin Brown & Wood and Powell Goldstein Frazer & Murphy LLP where I advised parties on multiple trade issues including international trade disputes and arbitrations.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. **Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.**

I am currently employed by the federal government. I have severed all connections with prior employers and, as described below, if confirmed will sever all other connections necessary to avoid conflict of interest issues.

2. **Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.**

No.

3. **Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.**

No.

4. **If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.**

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. **Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

2. **Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that

I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. **Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.**

To the best of my recollection/knowledge:

- In my capacity as a member of USTR's Intergovernmental Policy Advisory Committee on trade I sought to encourage federal officials to adopt trade policies of interest to states.
- In my capacity as executive director of the Commonwealth of Pennsylvania's Office of Trade Policy I had conversations with and prepared materials for Congressional staff related to provisions of the Trade and Globalization Adjustment Assistance Act of 2009 that were of interest to the Commonwealth and states in general.
- In my capacity as executive director of the Commonwealth of Pennsylvania's Office of Trade Policy I had conversations with and prepared materials for Congressional staff on the adoption of duty drawback legislation of interest to the Commonwealth.
- In my capacity as executive director of the Commonwealth of Pennsylvania's Office of Trade Policy I prepared draft letters, testimony, and other materials that were used to encourage federal officials to adopt positions in then-pending Section 421, ITC, Treasury Department, and Doha Round proceedings.
- Prepared legal research and draft filings for law firm partner on behalf of a firm client with an interest in an FCC notice and comment proceeding on directory assistance.

- Prepared legal research for law firm partner that was incorporated into Congressional "leave behind" for firm client with an interest in proposed pharmaceutical-related legislation.
- Prepared legal research for law firm partner that was incorporated into materials distributed to Congressional staff on behalf of a firm client with an interest in discussions on investment and takings law.

I am incorrectly identified as having lobbied on behalf of PhRMA in 2002 and 2003 lobbying reports that my then employer filed with the Senate. During this time I was primarily handling litigation matters for this client, and never lobbied on its behalf.

4. **Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. **Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.**

Please see materials separately provided.

6. **The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:**

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the

time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

N/A

D. LEGAL AND OTHER MATTERS

1. **Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.**

Not that I am aware.

2. **Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.**

Not that I am aware.

3. **Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.**

No.

4. **Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.**

No.

5. **Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.**

None.

E. TESTIFYING BEFORE CONGRESS

1. **If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions**

as you may be reasonably requested to do so?

Yes.

2. **If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?**

Yes.

Paul Piquado
Nominee for Assistant Secretary of Commerce for Import Administration
Confirmation Hearing before the Senate Finance Committee
September 12, 2011
Questions for the Record

Senator Baucus

Baucus Question 1:

Mr. Piquado, I've heard from honey producers in my state of Montana who are concerned that the antidumping duty order on honey from China is being evaded by fraudulent imports of Chinese honey through other countries. If confirmed, would you commit that Import Administration will work with CBP wherever possible on their anti-evasion efforts?

Answer:

I find efforts to evade the Department of Commerce's antidumping (AD) or countervailing duty (CVD) orders to be extremely disturbing and understand that the Department has worked closely with other agencies, including Customs and Border Protection (CBP), to develop information that has resulted in the indictment of eleven German and Chinese executives for attempting to evade the Department's orders on honey. If confirmed, I assure you that I will closely monitor the Department's work in this area, and will coordinate fully with CBP and other government agencies that have jurisdiction over parties that seek to evade the Department's orders on honey and other products.

Baucus Question 2:

I support the goals of the President's National Export Initiative. Doubling U.S. exports in the next 5 years will create more American jobs and help our economy recover faster. If confirmed, what role will you play in supporting the President's National Export Initiative? How will you ensure your efforts deliver real results?

Answer:

Efforts to enhance U.S. commercial competitiveness and maximize the potential of U.S. exporters can be undermined by unfair trade practices of governments and firms abroad; making the robust enforcement of the trade laws and agreements a key component of the National Export Initiative (NEI).

In support of this goal, the Department last year announced a package of proposals that are designed to enhance the Department's ability to administer the trade remedy laws. While a number of these proposals have been implemented, others remain in the rulemaking process. If confirmed, I intend to seek to ensure that any remaining proposals are adopted in a timely manner, where appropriate. I also understand that units in Import Administration (IA) provide a

variety of important services that may not be familiar to many U.S. firms. Among other things, IA provides counseling services to parties that may be interested in filing an AD or CVD petition. IA also helps preserve U.S. access to important foreign export markets by monitoring and participating in foreign trade remedy proceedings. If confirmed, I intend to work to ensure that companies are fully aware of these important services that help promote exports and remedy the market-distorting effects of unfair trade, and that these services are accessible and effective.

In addition to the work that I would oversee regarding enforcement of the AD/CVD laws, I understand that proposed regulations issued by the Foreign Trade Zones Board (FTZ) should dramatically enhance the ability of U.S. manufacturers to use the FTZ program to compete in export markets. If confirmed, I will work with the FTZ Board to finalize and implement the revised regulations in order to support the President's National Export Initiative by helping U.S. manufacturers increase exports from FTZ facilities.

Finally, the Import Administration's Office of Textiles and Apparel administers and enforces agreements and preference programs concerning the textile, apparel, footwear and travel goods industries and works to ensure fair trade and a level playing field for these industries to enhance their competitiveness in international markets. The office has an active export promotion program that assists small- and medium-sized U.S. textile and apparel firms to develop and expand their export markets helping job retention and creation in this and related sectors. If confirmed, I will also work in support of the President's National Export Initiative by continuing the development of new export market opportunities for textile and apparel companies.

Senator Hatch

Hatch Question 1:

The Foreign Trade Zones (FTZ) Board, which the position you have been nominated for would supervise, has proposed new regulations that are lengthier and more complex than the current regulations. Meanwhile, the President has announced an initiative to simplify federal government regulations and make them more business-friendly. Industry has raised a number of concerns in comments sent to the Commerce Department that the proposed new FTZ Board regulations are overly burdensome.

There appears to be a contradiction between the cumbersome complexity of the proposed new FTZ Board regulations and the Obama Administration's policy of regulatory simplification.

If confirmed, how will you reconcile this contradiction? Moreover, recent reports indicate that industry has requested additional time to submit comments regarding the proposed FTZ regulations. Will you commit to meet and work with industry, if confirmed, to ensure that any changes to FTZ regulations improve the program and streamline the regulations?

Answer:

I understand that the Foreign Trade Zone (FTZ) program is an important tool for many U.S. operations to remain competitive internationally, and that the proposed regulations are intended to enhance significantly the FTZ program's ability to assist U.S. exporters and manufacturers. It is my understanding that the new regulations are actually aimed at simplifying and expediting the FTZ application process, a goal which I support. I also understand that the FTZ Board is now reviewing all comments received during the extended public comment period to determine the extent to which further revisions may be needed to the proposed regulations.

I am committed to the President's National Export Initiative, and if confirmed, I will work with the FTZ Board to finalize these proposed regulations so that U.S. exporters and manufacturers can benefit from the simplified and expedited procedures.

Senator Hatch #2:

Both the U.S. courts and the World Trade Organization have ruled that concurrent anti-dumping and countervailing duty cases on the same products from non-market economy countries like China and Vietnam have to take into account the problem of double-counting remedies in the application of any offsetting duties. What are your views on how the Department of Commerce should come into compliance with these decisions?

Answer:

I understand that the Administration believes that the decision of the Court of International Trade in *GPX* is in error, and has appealed that decision to the Court of Appeals for the Federal Circuit. I expect that the decision of the Appellate Court, sometime this fall, will clarify the law with respect to these issues.

Additionally, I understand that the Administration believes strongly that the decision of the World Trade Organization (WTO) Appellate Body in the China antidumping and countervailing duty (AD/CVD) case is a clear example of overreaching, in which the Appellate Body imposed upon the United States restrictions on the application of trade remedies to China to which the WTO Members never agreed. On April 21, 2011, the United States notified the WTO Dispute Settlement Body that the United States intends to comply in this dispute with its WTO obligations and will be considering carefully how to do so within a reasonable period of time.

I am aware that the Department of Commerce, together with the United States Trade Representative (USTR), is considering what steps should be taken in response to the findings of the Appellate Body. If confirmed, I will work to ensure that the Department works closely with USTR and stakeholders to comply with the United States' WTO obligations while ensuring that U.S. workers and firms continue to have access to both the AD and CVD remedy. If confirmed, I also commit to consult with Congress as the Administration develops its approach to coming into compliance with the Appellate Body decision.

Senator Schumer

CHINA CURRENCY

Schumer Question 1:

In March 2010, President Obama announced the National Export Initiative with the goal of doubling U.S. exports over the next five years. The Commerce Department leads the Administration's trade promotion efforts and is therefore largely responsible for the success of this initiative. *Given that China's currency undervaluation has given Chinese products an unfair competitive advantage over their U.S. counterparts in export markets, do you agree that addressing China's currency undervaluation would greatly help us reach the President's goal?*

Answer:

It is important to note that the law provides the U.S. Department of the Treasury the authority to determine whether a country manipulates the rate of its currency exchange for the purpose of preventing effective balance of payments adjustment or gaining unfair competitive advantage in international trade.

The Department of Commerce has the authority to administer the countervailing duty (CVD) laws and to initiate a CVD investigation when a petition meets the statutory initiation requirements. I understand that the Department's decision in the *Aluminum Extrusions* case not to initiate an investigation into allegations that China's currency practices subsidized the production of Chinese extrusions is the subject of ongoing litigation. Consistent with its position in that litigation, the Department is required to analyze all new subsidy claims on their merits based on the statute and record of the particular proceeding in question. As such, if confirmed, I intend to support the President's National Export Initiative by fully enforcing the trade remedy laws. I will examine any additional allegations that the Department may receive that China's currency regime constitutes a countervailable subsidy independently and based on their merits under the statute.

Schumer Question 2:

The Commerce Department now applies the countervailing duty law to the People's Republic of China. Since taking this step, Commerce has conducted numerous investigations of subsidized industries in China. However, Commerce has declined to even initiate an investigation of whether China's deliberate currency undervaluation constitutes a countervailable subsidy. This hurts the United States, harms our ability to export, harms our workers, and harms other countries as well. *If you are confirmed, will you instruct Import Administration to investigate these practices to determine whether they provide a countervailable subsidy under U.S. law?*

Answer:

I understand that the Department has previously declined to investigate allegations that China's currency practices provide a subsidy to Chinese producers because these allegations did not sufficiently allege and support the claim that any undervaluation of China's unified currency is "specific" (significantly limited in distribution), as required under the countervailing duty law. While this matter is currently the subject of litigation before the U.S. Court of International Trade, I assure you that, if confirmed, I will independently examine on their merits under the statute any additional allegations that the Department may receive that China's currency regime constitutes a countervailable subsidy.

FOREIGN TRADE ZONES**Schumer Question 3:**

A number of requests for FTZ subzones have targeted the antidumping relief that protects a domestic manufacturer in my state and its workers. Using dumped or subsidized inputs from China and other countries for manufacturing in FTZs without paying AD/CVD duties would have a significant negative economic impact on this manufacturer, the region, and local jobs. Can you assure me that you will protect our trade laws and the integrity of the FTZ program by not allowing subzones to be misused in this way?

Answer:

The Foreign Trade Zone (FTZ) regulations clearly state that FTZ procedures will not be used to circumvent anti-dumping or countervailing duty actions, and require the payment of antidumping (AD) and countervailing duty (CVD) duties on merchandise when it leaves a zone for U.S. consumption. The FTZ regulations do not preclude the use of materials subject to AD/CVD in manufacturing for export, but any such activity requires advance approval from the FTZ Board based on a positive public-interest finding. If confirmed, I will work with the FTZ Board to maximize the positive impacts of the FTZ program for companies and communities across the United States.

CHINESE EXPORT TAX ADJUSTMENT**Schumer Question 4:**

In the antidumping law, Congress directed the Commerce Department to deduct certain export taxes from U.S. price in calculating the margin of dumping. Failing to do so artificially reduces the margin calculated. Despite this clear requirement, Commerce has failed to deduct these taxes in AD cases involving China (and other nonmarket economy countries). Commerce announced that it intends to change its practice and begin reducing the U.S. price in cases involving China to account for export taxes and other similar charges. When will you implement this proposed change in export tax practice in AD cases involving China? If you cannot provide a precise date, will you assure me that the change in

practice will be implemented without further delay, including in ongoing investigations and reviews?

Answer:

The Department of Commerce issued for public comment its Trade Law Enforcement Initiative proposal on value-added (VAT) and export taxes earlier this year. I understand that the Department received numerous comments on the proposal, spanning the interests of domestic manufacturers, importers, and other interested parties.

I understand that the Department anticipates finalizing the review of its practice with regard to VAT and export taxes in the near future. If confirmed, I commit to you to make finalization of the agency's work on these trade law enforcement proposals a priority.

APPLICATION OF TRADE REMEDY LAWS TO CHINA

Schumer Question 5:

In March of this year, the WTO Appellate Body issued another highly criticized decision that undermines our ability to remedy injurious dumping and subsidization of goods imported from China. Once again, the Appellate Body over-reached and created obligations the U.S. never agreed to. Both antidumping and countervailing duty remedies remain critical to American industry and their workers and communities. If you are confirmed, what will you do to ensure that both remedies remain viable against injurious imports from non-market economies like China?

Answer:

I am very concerned and frustrated that the World Trade Organization (WTO) Appellate Body overreached in reversing the panel's findings on "public bodies" and "double remedies." I understand that the Department is reviewing the Appellate Body report so as to understand fully its implications and believes that U.S. law and the WTO Agreements allow it to apply both AD and CVD remedies to non-market economies, like China and Vietnam, as the remedies are designed to remedy two different and very distinct types of unfair trade. On April 21, 2011, the Administration stated that the United States intends to comply in this dispute with its WTO obligations and will be considering carefully how to do so. If confirmed, I will work to ensure that the Department, together with the United States Trade Representative, consults with Congress and stakeholders in determining a path forward to bring the United States into compliance with its WTO obligations, while also seeking to ensure that U.S. firms and workers continue to have access to both the AD and CVD remedies.

ADVERSE WTO DECISIONS ON ZEROING**Schumer Question 6:**

The WTO Appellate Body has issued a string of faulty and highly criticized decisions involving the U.S. zeroing methodology used in Commerce's antidumping decisions. In December 2010, the Commerce Department responded by issuing a *Federal Register* notice that started the process of implementation. The United States has also separately maintained that it would continue to press for reversal of those decisions in the Rules negotiations.

As currently drafted, Commerce's implementation proposal would do absolutely nothing to ensure that American businesses and working men and women will continue to have access to effective remedies against unfair trade practices. *Given that a conclusion to the Rules negotiations is not in sight within the near future, how will you modify the existing strategy to maintain the effectiveness of U.S. antidumping laws? What other approach is possible at the WTO to rebalance our rights and obligations?*

Answer:

I, too, am concerned about weakening the remedy for injurious pricing practices afforded by the antidumping law. Accordingly, the Department has moved forward deliberately and cautiously with a compliance proposal with the primary objective that the antidumping law remain an effective remedy for U.S. businesses and workers injured by dumping. The United States has consistently stated that it intended to comply with its WTO obligations in connection with the findings against zeroing, despite its profound disagreement and disappointment with those findings. I understand that after extensive internal discussion and interagency consultation, and consultations with the Senate Finance Committee and the House Ways and Means Committee, the Department has issued a proposal for coming into compliance with the findings.

The proposal, released for public comment in December 2010, would adopt an antidumping duty calculation methodology that parallels the methodology the Department currently applies in original investigations. The Department's WTO-consistent methodology for its antidumping calculations in original investigations was adopted in 2007 in response to prior WTO findings against zeroing. The methodology applied in investigations is now familiar to the Department, interested parties and stakeholders. The proposal is just that: a proposal. As required by section 123 of the Uruguay Round Agreements Act, there has been a period of public comment, during which parties submitted more than 60 comments. If confirmed, I will work to ensure that any final change to its methodology continues to provide petitioners with access to the trade remedy laws, and will engage in further consultation with Congress before any implementation action can be finalized and put into effect.

Senator Snowe

Snowe Question 1:

Earlier this year I joined Senator Brown (OH) in introducing S. 328, the “Currency Reform for Fair Trade Act” to require the Department of Commerce to investigate whether currency undervaluation provides a countervailable subsidy under our trade rules. My bill mirrors legislation that passed the House in September 2010 by broad, bipartisan margins. Does the Administration support this approach? If confirmed, would you be willing to initiate such an investigation?

Answer:

I am told that the Administration is reviewing the proposed legislation and shares the goal that the RMB should appreciate further and faster, but I am unaware of a formal position by the Administration on the proposed legislation. Strong enforcement of U.S. trade remedy laws is a priority for me. Consistent with this priority, if confirmed, I will work to ensure that any legislation that becomes law is fully enforced.

Current U.S. statute sets forth specific legal requirements that must be met by the petitioner in order for the Department of Commerce to investigate an alleged subsidy. In future countervailing duty proceedings, the domestic petitioning industry can, of course, elect to make a currency allegation, and the Department will evaluate the merits of the allegation in light of the supporting evidence and the statutory initiation standard.

Snowe Question 2:

Our antidumping and countervailing duty laws provide American producers the ability to counter injurious unfair trade practices and ultimately allow for the imposition of additional duties on unfair imports. Most companies play by the rules, but when certain unscrupulous foreign exporters invent schemes to avoid paying these duties it puts workers in Maine at a severe disadvantage and bilks our government out of millions of dollars in uncollected fees. In May I joined Senator Wyden in introducing S. 1133, the “ENFORCE Act” to take steps to stop this cheating. Does the Administration support this approach? If confirmed, will you commit to a policy of zero tolerance for fraud in trade investigations?

Answer:

I am unaware of a formal position by the Administration regarding the ENFORCE Act. However, I am committed to the robust enforcement of the unfair trade laws. In addition to the Department’s own authority to address circumvention as defined by the antidumping (AD) and countervailing duty (CVD) laws, I understand they are committed to working with Customs and Border Protection (CBP), Immigration and Customs Enforcement and the Department of Justice to assist them in addressing allegations of duty evasion, transshipment, and fraud that fall within their jurisdictions. If confirmed, I will support continued and increasingly closer coordination with these partner agencies in an effort to minimize evasion of the Department’s orders.

Snowe Question 3:

As Assistant Secretary, what would you do to make the anti-dumping and countervailing duty laws more effective?

Answer:

If confirmed, my top priority would be to robustly enforce and enhance the effectiveness of the antidumping and countervailing duty laws. To achieve this, my top priorities would be to: work to implement the Trade Law Enforcement Initiatives as quickly as possible; pursue additional cooperation and information sharing efforts with CBP to prevent evasion of the Department's AD and CVD orders; and work to ensure that U.S. businesses and workers are fully aware of the AD and CVD laws and the services that the Department can provide to facilitate the use of those laws.

If confirmed, I will ensure that the laws and programs within the jurisdiction of the Import Administration are applied and enforced as fully and robustly as possible, in a manner that is open and transparent.

Senator Wyden

Wyden Question 1:

As you and I discussed earlier, foreign producers, especially those in China, are laundering merchandise through third-countries in order to evade anti-dumping and countervailing duties – the duties that remedy unfair trade. Senators Snowe, Schumer, Cardin, Baucus and Hatch are all committed to legislation to deal with this pressing problem that is undermining American manufacturing and jobs.

If confirmed as Assistant Secretary, what will Import Administration do differently in order to more quickly identify laundered merchandise and prevent its importation?

Answer:

I am extremely disturbed by efforts to circumvent or evade the Department of Commerce's orders. If confirmed, I will ensure that the Department investigates vigorously all properly filed circumvention allegations and holds liable for duties the parties found to be circumventing an order. In the event that the Department becomes aware of or otherwise develops information involving the possible evasion of its orders that falls within the jurisdiction of other government agencies (e.g., involving allegations of transshipment, mislabeling, or fraud) I will, if confirmed, likewise work to ensure that these matters are swiftly communicated to enforcement officials at Customs and Border Protection (CBP), Immigration and Customs Enforcement and the Department of Justice. As this is an issue that demands ongoing attention, if confirmed, I will ensure that Department of Commerce officials communicate with CBP on these matters at least every thirty days and, when appropriate, to personally raise specific matters of concern directly with my counterparts at CBP.

Wyden Question 2:

A major hole in trade enforcement lies with new shippers – foreign suppliers – who are able to obtain importing and bonding privileges that do not accurately reflect their risk of nonpayment of duties.

What are your views about the “new shipper bonding privilege” – to what degree does it contribute to non-payment of anti-dumping and countervailing duties?

Answer:

On April 26, 2011, the Department published a proposed modification of its regulations regarding the practice of accepting bonds during the provisional measures period in antidumping (AD) and countervailing duty (CVD) duty investigations. The Department’s regulations describe the preliminary determination in AD and CVD investigations as the first point at which the Department may provide a remedy if Commerce preliminarily finds that dumping and/or countervailable subsidies have occurred. The regulation at 19 CFR 351.205(a) states that, “[t]he remedy (sometimes referred to as ‘provisional measures’) usually take the form of a bonding requirement to ensure payment if antidumping or countervailing duties ultimately are imposed.” The proposed modification would establish that the provisional measures during an AD or CVD investigation will normally take the form of a cash deposit.

Requiring that provisional measures will normally take the form of a cash deposit should help strengthen the administration of the nation’s AD and CVD laws by making importers directly responsible for the payment of AD and CVD duties. This change should help to ensure that the U.S. Government collects the full amount of the duties owed if an investigation results in the imposition of an AD or CVD order and, further, it should reduce some of the burdens that CBP faces when trying to collect AD/CVD duties. I am pleased to inform you that Commerce recently issued a final decision in this matter.

In addition to revising this provisional measures provision, I agree that the manner in which the Department treats new shippers, and the legal provisions governing the new shipper bonding privilege, can present difficulties with respect to duty collection. If confirmed, I look forward to providing technical guidance to you and other members of Congress regarding proposals to modify the new shipper bonding rules. If confirmed, I also intend to work to ensure that Commerce considers carefully whether the sales that new shippers present for review to the Department are bona fide sales.

Wyden Question 3:

As you know, a very important function of Import Administration is to give Customs timely information about the correct anti-dumping and countervailing duty to assess.

If confirmed, are you committed to ensuring that Customs receives timely final liquidation instructions on merchandise subject to anti-dumping and countervailing duties?

Answer:

I understand that the Department works closely with CBP's Office of International Trade and its AD/CVD Policy and Programs Office to ensure the conveyance of clear and accurate liquidation instructions. For example, the Department has developed boilerplate instructions (including liquidation instructions) to serve as a guideline for its analysts. The Department also provides CBP with an opportunity to comment on its boilerplate instructions and considers and addresses all comments, suggestions and concerns CBP may have with the Department's boilerplate. It is my understanding that CBP often comments and suggests clarifications to Commerce's instructions prior to posting them for CBP port action, and that Commerce reviews and considers each of CBP's concerns to ensure its instructions can be executed effectively and expeditiously by port personnel.

To complement this process, I am aware that the Department and CBP designed and implemented the AD/CVD portion of the Automated Commercial Environment (ACE), a system that can electronically communicate liquidation instructions. Specifically, an inquiry system was built into ACE to address the issue of clarity of instructions. CBP port personnel utilize this system to pose questions to the Department regarding liquidation issues. Also, a messaging system was created to track the sending and posting of the Department's liquidation instructions. This aspect of the new system enables quicker processing of liquidation instructions by CPB. If confirmed, I commit to adhere to and build upon these efforts in order to ensure the timely issuance of liquidation instructions.

Wyden Question 4:

I recently suggested in a letter to President Obama that the Department of Commerce should consider self-initiating an investigation to determine whether anti-dumping and countervailing duties (AD/CVD) are warranted for imported solar panels from China. These imports have surged in recent years and appear to be causing material injury to U.S. producers.

Is the Department of Commerce looking into this issue and considering whether to initiate an AD/CVD investigation?

Answer:

The Department of Commerce has the authority to self-initiate a trade remedy investigation and has exercised this authority when appropriate in the past. The law requires the Department's trade remedy decisions, including a decision to self-initiate a case, to be supportable by record evidence and subject to review in the courts. In order for the Department to self-initiate an investigation; the statute requires sufficient evidence of dumping or subsidization and injury to be presented to satisfy the statutory standards. While I cannot say how the Department would proceed nor could I make such a determination at this time, if confirmed, I assure you that I am

committed to fully enforcing the trade remedy laws and will not hesitate to pursue an investigation that has domestic industry support and participation whenever the statutory requirements are satisfied.

Senator Stabenow

Stabenow Question 1:

More and more, we are seeing countries like China impose export restrictions on raw materials. This gives companies who use those raw materials in those countries a distinct advantage. Meanwhile, U.S. companies must pay highly inflated prices for these raw materials due to the reduced supply outside the restricting country. China is even telling foreign companies that, if they move their operations to China, the companies can have preferential access to raw materials. Some of the most egregious examples are with rare earth elements, which are crucial for advanced batteries other cutting-edge technologies, including those for the military. Do you support the Department's previous determination that such restraints may be countervailable?

Answer:

I understand that in some prior countervailing duty cases, including cases involving exports from China, the Department of Commerce has countervailed certain export restraints where Commerce determined that those restraints met the statutory criteria for a countervailable subsidy. I assure you that, if confirmed, the Department will continue to investigate any such export restraints where they are properly alleged, and will countervail in full any such measures where they are determined to be countervailable subsidies.

**Statement of Ambassador Michael Punke
Before the Senate Finance Committee
September 12, 2011**

Thank you, Chairman Baucus, Senator Hatch, and distinguished Members of the Finance Committee.

I want to start today by expressing my gratitude to President Obama for his confidence in nominating me to serve as Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization. I am also grateful for the bipartisan support expressed for my nomination by this Committee after my last hearing, in 2009, and for the ongoing support of U.S. Trade Representative Ron Kirk. Mr. Chairman, I will always be appreciative for my first opportunity in public service – a job on your staff which you gave me in 1991.

Finally, I wish to express my extreme gratitude to my wife, Traci, and to our two children, Sophie and Bo. They have been supportive and patient travelers throughout this entire process.

Mr. Chairman, it has been the greatest honor and privilege of my career to serve, since March 2010, as an appointee to the position for which I am nominated. It is

my great hope that I will be able to continue to serve in this position with the advice and consent of the Senate.

There is much work to do. The World Trade Organization (WTO) stands today as the embodiment of the work of generations of Americans in bipartisan support of a rules-based system of international trade. Not just any rules, but rules that reflect the American view of the importance of fair rules-based competition.

And WTO rules have teeth. The WTO is unique among multilateral institutions, because there are consequences for failure to comply with the rules. The WTO provides a process for binding dispute resolution and the possibility for WTO members to apply sanctions where necessary to secure compliance with rulings that result from that process. Guaranteed access to procedures for enforcing trade rules corrects one of the great shortcomings of the old GATT system. The WTO dispute resolution process is not perfect, but it is very good, and we have used it aggressively to promote and to defend American interests.

So as a repository of rules and a forum for resolving disputes over their implementation, the WTO provides one of the bulwarks of our global economy. The value of this system has been proved up during the financial crisis, when, with

few exceptions, countries declined to resort to the sort of protectionist measures that would have deepened the crisis and made recovery much harder.

Despite these positive aspects, there is one area in which the WTO is underachieving. To meet its potential, to meet American expectations, the WTO must also be effective in its historical role as a forum for negotiations to open markets. Opening new markets supports new trade opportunities, which is another way of saying jobs. Jobs for our farmer and ranchers, jobs for our workers and entrepreneurs.

Certainly it is no secret that the Doha Round of WTO negotiations are floundering. As of next month, WTO Members will have been engaged in Doha negotiations for a decade, with no end in sight.

At one level, the diagnosis for what ails the Doha Round is quite simple: Since negotiations began in 2001, the world has changed dramatically. Above all, we've watched the dramatic rise of emerging economies such as China, Brazil and India. The Obama Administration, with the strong support of Congress, believes that China and other emerging economies must shoulder new responsibilities to reflect this change. So far, they have been unwilling to do so.

Since the 2008 breakdown in Doha negotiations, the United States has put forward a number of procedural and substantive ideas in an effort to achieve a breakthrough in the negotiations. Speaking bluntly, the reticence of a number of our negotiating partners has left us with very little to show for those efforts.

As we approach a biennial WTO Ministerial meeting this December, the time has come for both an honest assessment of where we stand, and realistic guidance about where we should go. The WTO operates by consensus, so it will be vital for all WTO Members to participate in this effort.

One thing is clear: What we are doing today in the Doha negotiations is not working. That is not a value statement, but a simple assessment of the facts. After ten years, we're deadlocked. The ability of the WTO's collective membership to acknowledge the reality of our situation will be the first test of whether we can devise a credible path forward that will expand market access and strengthen the institution. This is important for the Doha negotiations, but also for the broader credibility of the WTO as a forum for trade negotiations.

Mr. Chairman, one of the aspects of my job for which I am most grateful is the relationship I have enjoyed with Members of this Committee and their staffs. As the Administration has negotiated in Geneva, we have maintained an ongoing and constructive dialogue with Congress. This dialogue has allowed us to project a unified and strong position. Certainly this is a well to which I'll hope to return often in the weeks and months ahead.

Thank you for considering my nomination.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.) **Michael Ward Punke**
2. Position to which nominated: **Deputy U.S. Trade Representative**
3. Date of nomination: **January 26, 2011; Originally nominated: September 14, 2009**
4. Address: (List current residence, office, and mailing addresses.)
Residence:
Office:
5. Date and place of birth: **December 7, 1964, Lovell, Wyoming**
6. Marital status: (Include maiden name of wife or husband's name.)
7. Names and ages of children:
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)
Torrington High School (Torrington, WY), 1979-1982, high school diploma
University of Massachusetts (Amherst), 1982-1984 (including three semesters of study abroad in Angers and Paris, France.
George Washington University (Washington, DC) 1984-1986, B.A. 05/86

Cornell Law School (Ithaca, NY), 1986-1989, J.D. 05/89

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
- 09/89 - 03/91: Associate Attorney, Hogan & Hartson, Washington, DC**
- 03/91 - 01/93: International Trade Counsel, Office of Senator Max Baucus, Washington, DC**
- 1/93 - 02/93: Special Assistant to the National Security Advisor, the White House, Washington, DC**
- 02/93 - 03/95: Director for International Economic Affairs, National Security Council/National Economic Council, The White House, Washington, DC**
- 03/95 - 07/96: Senior Policy Advisor, Office of the United States Trade Representative, Washington, DC**
- 07/96 - 12/97: Founding Partner, Arrowhead International (publisher of International regulatory directories), Washington, DC**
- 01/98 - 06/03: Mayer, Brown, Rowe & Maw (of counsel, 01/98 - 12/99; partner, 01/00 - 06/03, Washington, DC**
- 07/03 - 12/09: Writer (publications listed below under question 15), Missoula Montana**
- 07/03 - 12/09: Michael Punke Consulting, Missoula, Montana**
- 01/04 - 12/09: Adjunct Professor, University of Montana, Missoula, Montana**
- 01/10 - 03/10: Consultant, Office of the United States Trade Representative, Washington, DC**
- 03/10 - present: Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization, Geneva, Switzerland**
10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)
- 09/84 - 12/85: Intern, Office of Senator Alan K. Simpson, Washington, DC**

06/85 – 08/85: Civilian Intern, Department of the Navy, Council of Personnel Board, Arlington, VA

06/87 – 08/87: Civilian Intern, Judge Advocate General's Corps, US Army Europe and 7th Army, Contract Law Division, Heidelberg, Germany

06/06 – 01/07: International Trade Consultant, State of Montana, Helena

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

01/09 – present: Member (sole), Sawmill Gulch Enterprises LLC, Missoula, Montana. Umbrella company organized to receive payments for past works as a writer. (For further information, see my ethics agreement of February 1, 2011, provided to the Finance Committee on February 4, 2011, by Don W. Fox, General Counsel, US Office of Government Ethics, and my ethics agreement of September 15, 2009, provided earlier to the Committee.)

Past Clients of Michael Punke Consulting:

Mayer, Brown, Rowe & Maw: 07/03 – 05/07

Pharmaceutical Manufacturers Association: 08/03 – 08/03

Biotechnology Industry Organization: 09/05 – 11/06

International Cinematographers Guild: 10/06 – 11/06

State of Montana: 06/06 – 01/07

Washington Corporations/Dennis and Phyllis Washington Foundation/Butte Heritage Center (related entities): 03/07 – 03/09

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Maryland State Bar. Became member in 1989; current status = "inactive"

District of Columbia Bar. Became member in 1998; current status = "inactive"

2002 – present: Member, Western Writers of America

01/07 – 12/09: Member of the Board, Humanities Montana; Missoula, Montana

2006 – 2007: Member of the Board, Friends of the Mansfield Library; University of Montana, Missoula, Montana

2007 – 12/09: Member, Friends of Missoula Parks

2008 – 12/09: Member of the Board, Butte Heritage Center; Butte, Montana

06/09 – present: Writers Guild of America, West

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.

N/A

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

N/A

c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

03/22/07: Friends of Brian Schweitzer, \$100

09/11/07: Friends of Max Baucus, \$500

09/30/07: Friends of Max Baucus, \$500

12/10/07: Friends of Brian Schweitzer, \$100

04/24/08: Friends of Steve Bullock, \$100

05/18/08: Friends of Mike McGrath, \$100

09/30/08: Friends of Mike McGrath, \$100

10/01/08: Friends of Steve Bullock, \$100

06/02/09: John Engen for Mayor, \$160

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

Editor-in-Chief (elected), *Cornell International Law Journal*, 1988 – 1989

William Randolph Hearst Scholarship (Wyoming awardee)

Alexander Wilbourne Weddell Prize (writing on a political science topic, George Washington University)

Pi Delta Phi, Societe d'Honneur Francaise (George Washington University)

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

Books:

The Revenant: A Novel of Revenge, Carroll & Graf, 2002

Fire and Brimstone: The North Butte Mining Disaster of 1917, Hyperion, 2006

Last Stand: George Bird Grinnell, the Battle to Save the Buffalo, and the Birth of the New West, Smithsonian, 2007

Book Introduction:

The Buffalo Hunters by Mari Sandoz, University of Nebraska Press, 2008 Edition

Articles:

"In the Face of Tragedy," *Montana Quarterly*, Winter 2006.

"The Battle to Save the Buffalo," *Montana Quarterly*, Summer 2007.

"The Extraordinary Session of 1918," *Montana Quarterly*, Fall 2007.

"The Devil's Brigade," *Montana Quarterly*, Winter 2007

"Last Jump," *Montana Quarterly*, Spring 2008.

"Confluence of Change," *Montana Quarterly*, Summer 2008.

"Structural Impediments to United States-Japanese Trade: The Collision of Culture and Law," *Cornell International Law Journal*, Winter 1990.

Op-Eds:

"The Sago Mine Disaster: Solace from Butte," *Montana Standard*, January 11, 2006

"Written With the Blood of Miners," *History News Service*, June 12, 2006

"For Democrats, Another Circular Firing Squad," *Helena Independent Record*, March 11, 2007

"Why the Buffalo Roam," *History News Service*, April 17, 2007

"Superbad: A Lesson on Superdelegates Past and Present," *Montana Standard*, April 3, 2008

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

N/A

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I believe I bring a unique background to the position of Deputy US Trade Representative, well-matched to the challenges we face. My background in government service and law has given me deep experience with the substance of international trade law and policy, international negotiations, the congressional role in U.S. trade policy-making, and the interagency process. With that experience as a backdrop, my seven years in Montana (2003 – 2010) provided me an opportunity to view international trade from outside Washington, and to understand better the impact of trade on local economies and ordinary Americans. Finally, my current work, as an appointee to the position for which I am nominated (3/10 – present) has given me a track record for the Committee to evaluate.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I will continue connections through existing book and film contracts to which I am party (listed below), in accordance with the terms of the ethics Agreements that I have entered into with the USTR's designated agency ethics official and that have been provided to this Committee:

Perseus Book Group, New York, NY: contract providing for possible Royalties depending on sales of *The Revenant*.

Hyperion Books, New York, NY: contract providing for possible royalties depending on sales of *Fire and Brimstone*.

Harper Collins Publishers, New York, NY: contract providing for possible royalties depending on sales of *Last Stand*.

Anonymous Content, Culver City, CA: contract for possible purchase of film rights to *The Revenant*.

Presho Productions LLC, Oklahoma City, OK: contract providing for possible production bonus if my screenplay, *Charlie Russell*, is produced.

Twentieth Century Fox, Los Angeles, CA: contract providing for possible Production bonus if my screenplay, *Family History*, is produced.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or

until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with USTR's designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest have been resolved in accordance with the terms of ethics agreements that I have entered into with the USTR's designated agency ethics official and that have been provided to this Committee. I am not aware of any other potential conflicts of interest.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with USTR's designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest have been resolved in accordance with the terms of ethics agreements that I have entered into with the USTR's designated agency ethics official and that have been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

2007 – 2008: On behalf of the Butte Heritage Center and the Dennis and Phyllis Washington Foundation, sought appropriations to fund the construction of a "Butte Heritage Center" to celebrate the mining history and heritage of Butte, Montana.

2007: As a private citizen and as a volunteer member of Friends of Missoula Parks, sought appropriations to create a bike/pedestrian crossing at a dangerous intersection in Missoula, Montana.

2003: On behalf of AOL Time Warner, sought congressional support for bilateral trade agreements.

2001 – 2002: On behalf of the North Dakota Wheat Commission, sought support for a Section 301 investigation of unfair trade practices by the Canadian Wheat Board.

2000 – 2001: On behalf of the Wheat Export Trade Education Committee (WETEC), sought support for a Section 301 Investigation of unfair trade practices by the Canadian Wheat Board; fought European ag export subsidies.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)

In connection with the nomination process, I have consulted with USTR's designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest have been resolved in accordance with the terms of ethics agreements that I have entered into with the USTR's designated agency ethics official and that have been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

Submitted previously and attached.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

In late 2002 and early 2003, my former law firm, Mayer, Brown, Rowe & Maw, assisted the Embassy of Australia in its efforts to seek U.S.

congressional support for launching proposed free-trade negotiations between the United States and Australia. In connection with this effort, in January 2003, I conducted 11.75 hours of background research on US-Australia trade relations for a partner in the firm. I did not have direct contact with the client and neither my firm nor I represented, aided, or advised Australia in the trade negotiations, which were initiated in March 2003.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

N/A

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

UNITED STATES SENATE COMMITTEE ON FINANCE
NOMINATION HEARING, SEPTEMBER 12, 2011
QUESTIONS FOR AMBASSADOR MICHAEL PUNKE

QUESTIONS FROM CHAIRMAN BAUCUS

Question 1: Ambassador Punke, Russia is the world's largest economy that is not a member of the WTO. Russia should be in the WTO. But any agreement to admit Russia to the WTO must include strong commercial terms, including intellectual property rights protections, create opportunities for U.S. ranchers, farmers, workers, and businesses, and serve our national economic interests. I know there is pressure on you to conclude these negotiations, from other WTO members and from foreign policy officials in the U.S. Government, but we can't cut corners in these negotiations. Mr. Ambassador, will you work to ensure that Russia's accession agreement is a good deal for U.S. exporters? And will you work to ensure that Russia adopts and enforces robust IP protections?

A: The Administration looks forward to welcoming the Russian Federation into the World Trade Organization (WTO) on the basis of a strong commercial agreement, one that benefits U.S. manufacturers, farmers, ranchers and exporters by creating more stable and predictable market access. In our ongoing negotiations in Geneva, we continue to push a firm line. Russia's membership in the WTO will require Russia to establish predictable tariff rates, apply sanitary and phytosanitary rules that are based on international standards and on science, improve protection of intellectual property rights, and, importantly, enable the United States to use WTO dispute-resolution mechanisms to address alleged violations – an important shortcoming in current U.S. trade relations with Russia. With regard to intellectual property, in particular, Russia has already adopted or amended legislation or regulations intended to implement a number of TRIPS obligations which sets out minimum requirements for protecting and enforcing intellectual property rights, including with respect to copy rights, trademarks, patents, trade secrets, and industrial designs. Once Russia is a Member of the WTO, I can assure you that we will be vigilant and vigorous in our enforcement of our rights under the WTO to ensure that U.S. exporters enjoy the benefits of Russia's WTO membership.

QUESTIONS FROM SENATOR HATCH

Question 1: Ambassador Punke, I would like to commend your leadership and advocacy for American interests in Geneva as our representative to the WTO in Geneva. Standing firm and insisting upon an ambitious and balanced agreement is critical to ensuring that any WTO deal receives Congressional support.

As the Doha Round teeters on the brink of collapse, I am very concerned about our delay in moving the pending free trade agreements and the President's timid support for trade negotiating authority. Every President since FDR has sought trade negotiating authority from Congress.

The need for the authority is obvious. Without trade negotiating authority, we cannot pass trade agreements to open foreign markets to our goods and services.

President Clinton, in seeking this authority said: "The case for extending fast track is plain. This legislation will give us the authority to increase access to foreign markets, especially in the fastest growing regions of the world...If we don't seize these opportunities, our competitors surely will. An "America last" strategy is unacceptable." [1] I could not agree more. An America last strategy is totally unacceptable.

Ambassador Punke, do you agree with former President Clinton that Trade Promotion Authority is critical to opening foreign markets? Will the President need trade promotion authority to conclude the Doha round or any other trade agreement negotiated out of the WTO? Can you please tell me when the President will request Trade Promotion Authority and when?

A: My USTR colleagues and I look forward to working closely with you and other Members of the Committee over the coming weeks on securing Congressional approval of the final three pending trade agreements concluded under the last enactment of Trade Promotion Authority (TPA), as well as on other critical trade legislation such as renewal of the TAA, GSP, and ATPA programs. We also expect to work closely with you and other members of this Committee on whether we need other trade legislation, including a renewed grant of TPA. As you point out, TPA has been important to help conclude trade negotiations and secure congressional approval for completed agreements. For those reasons, I expect that President Obama will seek TPA from Congress at an appropriate time. We would be pleased to continue our discussions with you and other Members regarding whether and when it would be advisable to consider other appropriate trade legislation, such as TPA renewal.

Question 2: Ambassador Punke, I am worried that we are falling behind our trade competitors in negotiating bilateral trade agreements to open foreign markets. Can you please identify the trade agreements – and the countries participating in them – that all WTO members have notified to the World Trade Organization, as well as the date of the notification, since the Obama Administration took office?

A: The World Trade Organization (WTO) maintains a comprehensive online database that tracks those regional trade agreements (RTAs) that have been notified to the WTO. The best way to keep track of RTAs is to use this database, which is available to the public <http://rtais.wto.org>. Information may be retrieved through the database by country/territory or by criteria. We would be happy to follow-up with you if this information does not answer your question fully.

QUESTION FROM SENATOR KERRY

Question 1: Ambassador Punke, ending government subsidized commercial fishing that is rapidly depleting global fish stocks is an important matter. As you know, government fuel

subsidies, particularly for high seas and distant water fleets distort the market and are harmful in terms of the sustainability of ocean fisheries. In fact, 11 of my Senate colleagues, including three on this committee, sent the Trade Representative a letter in July asking for U.S. leadership on these trade-distorting and environmentally damaging subsidies.

It is critical that the U.S. maintain its leadership in pushing for an outcome on fisheries subsidies in the WTO. Can you reaffirm that ending fisheries subsidies will be a top priority for the U.S. and that you will press for a timely outcome on fish subsidies?

A: Our proposals in the WTO and the Trans Pacific Partnership negotiations would include disciplines on subsidies that contribute to overcapacity and overfishing in the sector. These proposals include subsidies for fishing operating costs. We will continue to press for a timely and ambitious outcome on fisheries subsidies as we have done from the outset of the negotiations.

QUESTIONS FROM SENATOR WYDEN

Question 1: Ambassador Punke, ending government subsidized commercial fishing that rapidly depletes global fish stocks and distorts trade is an urgent matter. I am pleased that you recognize this and have been a leader on this issue in Geneva. Eleven of my Senate colleagues and I, including four members of this committee, sent Ambassador Kirk a letter in July asking for continued U.S. leadership on these trade-distorting and environmentally damaging subsidies.

Can you reaffirm here today that ending government subsidies for fishing operating costs—and particularly fuel subsidies-- is the top priority for the U.S. in any agreement on fish subsidies?

Will you also commit that the United States will press for a timely outcome on fish subsidies?

A: Our proposals in the WTO and the Trans Pacific Partnership negotiations would include disciplines on subsidies that contribute to overcapacity and overfishing in the sector. These proposals include subsidies for fishing operating costs. We will continue to press for a timely and ambitious outcome on fisheries subsidies as we have done from the outset of the negotiations.

Question 2: The mode over which trade is conducted has changed over time. Today, the Internet is a growing platform for global commerce. The Internet represents the Shipping Lane of the 21st Century.

But there is rampant global protectionism being deployed against American digital goods and services. China is a chief culprit. That Baidu and Renren, which compete directly against Google and Facebook and which are blocked in China, launch there IPOs and trade their stock on Wall Street is insulting. These Chinese firms are only able to raise capital because of China's Great Firewall.

If confirmed, what are you prepared to advance at the WTO to update the global trade rules so that they reflect the digital economy?

A: We fully share your goal of ensuring that trade rules, including in the WTO, support a vibrant digital economy where U.S. firms can prosper. We also share your concern that policies in China relating to Internet-based services can hinder U.S. companies' ability to effectively compete in that market. We are deeply engaged in developing the best strategy going forward, and are exploring all of our options. To ensure that we have the best information, we are in contact with our internet companies to better understand how specific policies affect them, and the extent to which China's WTO commitments cover the specific services they are supplying and provide a framework for addressing impediments.

While China's lack of transparency makes some of this work very difficult, we are also looking at WTO tools that may assist us to obtain more information from China about the administration of existing internet restrictions in order to better assess such practices against trade rules and articulate specific concerns to the Chinese government. This would also help us determine how to shape future global trade rules.

We are also working hard to develop commitments in the TPP that enhance the ability of our companies to operate effectively on a cross-border basis. Moving data may be critical to such trade, particularly for companies seeking to take advantage of the Internet, an area U.S. companies have pioneered and which is a great source of our companies' competitiveness. At the TPP negotiating round last June (in Vietnam), the United States tabled a proposal that we believe achieves these goals, which we are now negotiating with the TPP partners.

QUESTIONS FROM SENATOR SCHUMER

Question 1: STATE-OWNED ENTERPRISES

There has been a resurgence in state-owned enterprises in many countries around the world. While SOEs in the marketplace are not new, the degree of state involvement in economic activity appears to be growing in some countries. The entry of SOEs into the United States can potentially result in anti-competitive behavior and other distortions in the marketplace, and can raise national security and technology transfer concerns. Do you think that SOE behavior should be addressed under the WTO Agreement, in the Trans-Pacific Partnership (TPP) negotiations, or in other similar ways? What actions has USTR taken to address SOE-related concerns?

A: Ensuring that U.S. businesses and workers are able to compete on a level playing field with our trading partners is a fundamental goal of the Obama Administration's trade policy. In the context of the Doha Rules negotiations, we have proposed tougher subsidy rules generally, and specific rules covering SOEs that would prohibit certain types of government financing made on non-commercial terms. To better understand the new challenges our businesses face, in the context of TPP, we have conducted extensive

consultations with a wide range of stakeholders, including on concerns of U.S. industry and labor about unfair advantages enjoyed by foreign SOEs and the negative impact they have on U.S. competitiveness.

Based on these consultations, we are developing a U.S. proposal for the TPP negotiations that would significantly expand the disciplines on SOEs to limit the unfair advantages enjoyed by foreign SOEs. We also have engaged with China through our Joint Commission on Commerce and Trade and other bilateral mechanisms about the need for SOE reforms in that country. We believe this is critical because, as you note, foreign SOEs can put U.S. goods producers and services suppliers at a competitive disadvantage, and deny U.S. workers, exporters, and investors vital opportunities. At the same time, we want to ensure that any new rules in this area are consistent with U.S. practice and provide adequate flexibility for future policy making.

Question 2: ADVERSE WTO RULINGS

In March of this year, the Appellate Body issued another highly criticized decision that undermines our ability to remedy injurious dumping and subsidization of goods imported from China. Once again, the Appellate Body over-reached and created obligations the U.S. never agreed to. Both antidumping and countervailing duty remedies remain critical to American industry and their workers and communities. How will the U.S. ensure we can still effectively apply the AD and CVD laws to China in the wake of the Appellate Body's ruling in March of this year? What leverage does the U.S. have to bring the Appellate Body back within the bounds of its original mandate? What steps have you taken or do you plan to take to ensure that the Appellate Body's power to create new obligations for WTO Members is addressed – even in the absence of a Doha Round? For example, would you pursue the negotiation of changes to the Dispute Settlement Understanding outside the context of a particular negotiating round as originally envisioned in 1994 Decision on the Application and Review of the Understanding on Rules and Procedures Governing the Settlement of Disputes? If so, what changes do you believe would be the most essential for rebalancing the dispute settlement system?

A: We have publicly stated that we are greatly disappointed by certain of the Appellate Body's findings, in particular where those findings appear to reach beyond the agreed text of the WTO agreements, and we have explained the reasons for our disappointment.

We are working to address this important systemic issue on all available fronts. For example, in individual cases, we have communicated our views clearly and directly, pointing out the problems in legal overreaching as we see it. We have encouraged and participated in multi-party discussions about the proper legal approach in ways that, we hope, will help to address this issue.

Further, in the Doha Dispute Settlement Understanding negotiations, we have made proposals that would increase Member control in WTO dispute settlement and provide additional guidance on the proper roles of panels and the Appellate Body. Those negotiations are ongoing and are not tied to the single undertaking under the Doha negotiations.

However, we have also committed to bringing the measures found inconsistent with WTO rules into conformity with our WTO obligations.

That process of bringing the measures into compliance is ongoing, and Commerce is spearheading the effort. At this point, we are not in a position to say how we will bring the measures into compliance or to prejudge the outcome of the implementation process. With respect to the referenced March decision, we have agreed with China on an eleven-month reasonable period of time to bring the measures that were found inconsistent into compliance with WTO rules. The implementation period expires on February 25, 2012.

Question 3: TRANSPARENCY IN THE WTO SYSTEM

Pursuant to 19 U.S.C. § 3536, the U.S. Trade Representative has been instructed to seek adoption of procedures that will ensure transparency “through the observance of open and equitable procedures in trade matters by the Ministerial Conference and the General Council, and by the dispute settlement panels and the Appellate Body under the Dispute Settlement Understanding.” Pursuant to 19 U.S.C. § 3537(c) and (d), the U.S. Trade Representative is required to make its own written submissions available to the public and request that other WTO Members make their submissions (or at least non-confidential summaries) available to the public.

While the United States has been a leader in requesting that panel and Appellate Body meetings be opened to the public, a lot more could be done procedurally to improve transparency and confidence in the WTO. Open hearings are far from the norm. There is no public docket of submissions filed in individual WTO disputes. The United States does not routinely request or make public summaries of other WTO Members’ briefs available despite the fact that executive summaries of those submissions are routinely provided to panels and are later included in final panel reports. The lack of access to WTO submissions and hearings is particularly frustrating for U.S. stakeholders unable to directly monitor or participate in the dispute settlement proceedings affecting their interests. In the context of WTO negotiations, there also has been a growing concern about reliance on “JOB” documents. Under the WTO classification system, documents which are given a “JOB” number do not become part of the “official WTO documents” and hence escape either categorization, listing, or derestriction to the public. What steps will you take so that the U.S. Trade Representative’s Office fulfills its statutory obligations to demand transparency “through the observance of open and equitable procedures in trade matters”?

A: We have consistently pressed to increase transparency in the WTO. With respect to the dispute settlement system, we have proposed that all submissions and hearings be public, other than with respect to confidential information. As part of that proposal, we have also proposed that the WTO maintain a public docket of submissions.

We routinely invite the other party to a dispute to agree to make the hearings public, and we were instrumental in securing the first ever public hearings before a panel and then the Appellate Body and arbitrators. We have continued to build on that success, with more and more hearings public and more and more WTO Members agreeing to public hearings and to make their statements public.

We have been a leader in making submissions public, and there is now a growing number of Members who make their submissions public. We routinely request a party to a dispute, if it is not making its submissions public, to provide a non-confidential summary of its submissions, and we make those available to the public. We also routinely provide public notice and an opportunity to comment on the issues involved in any dispute to which the United States is a party.

In other WTO contexts as well, the United States likewise encourages greater transparency and disclosure of documents. We played a leadership role some years ago in revising WTO rules on de-restriction of documents to make official documents much more available to the public and we are looking at the issue of access to less formal documents.

**Statement of Islam A. Siddiqui
Nominee for Chief Agricultural Negotiator,
Office of the United State Trade Representative
Before the Senate Finance Committee
September 12, 2011**

Thank you, Chairman Baucus, Senator Hatch and Members of the Finance Committee.

First, I would like to thank President Obama for nominating me to serve as Chief Agricultural Negotiator in the Office of the U.S. Trade Representative and of course, Ambassador Kirk for his continuing support. I am especially grateful for the bipartisan support of my nomination by Members of this Committee after my last hearing in November 2009.

I would also like to express my deep and sincere appreciation to my wife, Tabassum, and to our daughters Arshi and Sophia, who are here with us this morning as well.

Since March 2010, it has been an honor and a privilege for me to serve as Chief Agricultural Negotiator. If confirmed, I look forward to serving in this position with humility and dedication.

My entire academic and professional career has centered on agriculture – ranging from research after receiving my PhD from the University of Illinois to 28 years with the California Department of Food and Agriculture. As a result, I am acutely aware of the challenges related to agriculture, as well as the importance of agricultural exports to our long-term economic outlook.

Agricultural exports are particularly critical to supporting jobs and revitalizing rural communities. According to USDA's Economic Research Service, every \$1.0 billion in agricultural exports supports around 8,400 jobs both on and off the farm.

The good news is that agricultural exports continue to grow. Last year, agriculture exports increased 17 percent over 2009. In the first six months of this year alone we are on track to set a record of \$137 billion for 2011.

These numbers reflect the ingenuity and productivity of U.S. farmers and ranchers, who are able to out-compete their foreign counterparts despite higher costs of inputs and labor. The adoption of new technologies and state-of-the-art farm management practices has been critical to this extraordinary success. We can build on this record to achieve even more -- by diligently working to remove trade barriers and open new markets.

I look forward to continued and ongoing consultation with this Committee in our efforts to remove the non-tariff barriers around the world faced by our farmers and ranchers. While dialogue and diplomacy with our trading partners can deliver significant results, in some cases a more aggressive approach is warranted. In these instances, we must continue to exercise our rights under the WTO Dispute Resolution process and file complaints to remove non-science based barriers and address WTO violations. I am also committed to close coordination with U.S. agencies to achieve these goals.

As Ambassador Punke mentioned, the Doha Negotiations are facing a difficult moment and the gaps in agriculture, non-agricultural market access (NAMA) and services are wide. We are being asked to make significant concessions in the first two pillars of the agricultural negotiations – domestic support and export competition. To balance these concessions, a final agreement would have to provide new market access for U.S. products under the third pillar of an agricultural agreement. Whatever the future direction of the Doha negotiations, I will be a strong advocate for achieving new market opportunities for U.S. agricultural products, including in the markets of emerging economies.

Mr. Chairman, the last 17 months have afforded me the opportunity to work on a number of trade issues to promote U.S. agriculture, including the resumption of U.S. poultry exports to Russia, and negotiating the Brazil Cotton Framework Agreement. If confirmed, I look forward to continued work towards implementing President Obama's trade agenda under the leadership of Ambassador Kirk and USTR's outstanding team.

I also look forward to working closely with the Members and staff of this Committee on the many challenges and opportunities that we face in agricultural trade. Thank you once again for your consideration of my nomination.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)
Islam Ahmed Siddiqui (Isi A. Siddiqui)
2. Position to which nominated:
Chief Agricultural Negotiator, Office of the U.S. Trade Representative
3. Date of nomination: September 24, 2009
4. Address: (List current residence, office, and mailing addresses.)

5. Date and place of birth:
08/21/1942 Haldwani (Nainital) Uttaranchal, India
6. Marital status: (Include maiden name of wife or husband's name.)

7. Names and ages of children:

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

- M.B. High School, Haldwani (Nainital) Uttranchal, India
07/1953-05/1958 High School Diploma, 05/1958
- M.B. Intermediate College, Haldwani (Nainital) Uttranchal, India
07/1958-05/1960 Intermediate College Diploma, 05/1960
- U.P. Agricultural University, Pantnagar (Nainital) Uttranchal, India
07/1960-05/1964 B.Sc. (Honors) in Plant Protection, 11/1964
- University of Illinois, Champaign, Urbana, IL
09/1964-08/1966 M.S. in Plant Pathology, 06/1966
- University of Illinois, Champaign, Urbana, IL
09/1966-06/1969 PhD. In Plant Pathology, 06/1969

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

Title	Description	Employer	Location	Dates
Post-doctoral research fellow	As a research fellow, investigated host-parasite relationships in nematodes	Department of Nematology, University of California	Davis, CA	10/1968-10/1969
Assistant Plant Pathologist	Served as a field plant pathologist responsible for Southern California	State of California, Department of Food & Agriculture	Riverside, CA	10/1969-07/1970
Associate Plant Nematologist	Performed taxonomic identification of plant parasitic nematodes needed for quarantine and regulatory actions	State of California, Department of Food & Agriculture	Sacramento, CA	08/1970-07/1974
Senior Plant Pathologist	Liaison officer for technical communications for the Division of Plant Industry	State of California, Department of Food & Agriculture	Sacramento, CA	08/1974-07/1976
Program Supervisor, Control & Eradication	Managed agricultural pest control and eradication projects: Cotton	State of California, Department of Food & Agriculture	Sacramento, CA	08/1976-02/1981

	pink bollworm, gypsy moth & others			
Branch Chief, Pest Detection & Emergency Projects	Managed agricultural pest detection and eradication of exotic pests such as medfly	State of California, Department of Food & Agriculture	Sacramento, CA	02/1981-10/1984
Director, Division of Plant Industry	Administered & managed a division of over 1,000 employees involved in pest prevention, control and eradication programs	State of California, Department of Food & Agriculture	Sacramento, CA	10/1984-09/1997
Deputy Under Secretary, Marketing & Regulatory Programs	Assisted the Under Secretary for MRP in overseeing USDA's Animal & Plant Health Inspection Service (APHIS) Agricultural Marketing Service (AMS) and Grain Inspection, Packers and Stockyard Administration (GIPSA)	U.S. Department of Agriculture, Office of the Secretary	Washington, D.C.	09/1997-02/1999
Senior Trade Advisor to the Secretary	Served as Senior Trade Advisor to USDA Secretary of Agriculture on international trade policy, WTO, food aid and sanitary & phytosanitary issues, including agricultural	U.S. Department of Agriculture, Office of the Secretary	Washington, D.C.	03/1999-12/2000

	biotechnology			
Under Secretary, Marketing & Regulatory Programs	Administered and managed USDA's marketing and regulatory programs in APHIS, AMS & GIPSA (recess appointment by President Clinton)	U.S. Department of Agriculture, Office of the Secretary	Washington, D.C.	12/2000-01/2001
Special Assistant to California Secretary of Agriculture	Assisted and advised CDFA's Secretary of Agriculture on agricultural trade issues, the 2002 Farm Bill, sanitary & phytosanitary issues and agricultural biotechnology	California Department of Food & Agriculture, Office of the Secretary	Sacramento, CA	02/2001-06/2001
Director, Biotechnology & Trade	Managed U.S. plant science industry's regulatory and trade issues related to agricultural biotechnology and crop protection chemicals	CropLife America	Washington, D.C.	06/2001-10/2001
Vice President, Biotechnology & Trade	Managed U.S. plant science industry's regulatory and trade issues related to agricultural biotechnology and crop protection chemicals	CropLife America	Washington, D.C.	10/2001-12/2003
Vice President,	Managed U.S.	CropLife	Washington,	01/2004-

Science & Regulatory Affairs	and international science and regulatory issues related to crop protection chemicals, including tariffs, IPR and data protection issues	America	D.C.	Present
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10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

1972-73: Appointed by Governor Reagan, Associate of the Management Development Institute to teach courses in group leadership
1984-97: Served as a member (1984-97), Secretary-Treasurer (1992), Vice Chairman (1993-94) and Chairman (1994-95) of the National Plant Board, a body of State plant regulatory officials from the 50 states and U.S. territories.
1988-97: Member of National Plant Board Advisory Council, which advised USDA's Animal and Plant Health Inspection Service (APHIS) on pest prevention, quarantine and control/eradication matters. The council also advised APHIS on budgetary and phytosanitary issues, including those that posed barriers in international trade.
2004-Present: Member, Industry Trade Advisory Committee (ITAC-3) on chemicals, pharmaceuticals Health/Science Products and Services. ITAC-3 advises the U.S. Secretary of Commerce and the U.S. Trade Representative on international trade issues, including the FTA and Doha Development Agenda negotiations.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

CropLife America 1156 15 th , NW, Ste 400 Washington, D.C.	6/2001-Present	Director/Vice President – Biotechnology & Trade Vice President, Science & Regulatory Affairs
Cornell University Agricultural Biotechnology Support Project (ABSP II) 213 Rice Hall	11/2003-Present	Advisory Board Member

Ithaca, NY 14853		
Oxitec Corporation 71 Milton Park Oxford, U.K. OX144RX	06/2005-12/2005 (Est.)	Consultant

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

- Member, Society of Nematologists (1965-84)
- Associate Editor, Society of Nematologists (1976-78 Est.)
- Member, Helminthological Society of Washington (1965-1980 Est.)
- Member, Afro-American Society of Nematologists (1994-2000 Est.)
- Member, European Society of Nematologists (1970-2000 Est.)
- Member, Society of Regulatory Plant Protection (1995-1997 Est.)
- United Muslims of America, Member (1982-Present), President (1982-86)
- American Muslim Council, Advisory Board Member (1985-87)
- California State Employees Association, Member (1970-78)
 - Chairman – Agriculture & Conservation Council (1973-75)
 - Chairman, Representation Committee (1974-75)
 - Director of Representation (1976-77)
- Advisory Board Member, Muslim Council of America (1980-Present)
- Islamic Society of North America, Member (1980-Present)
- Muslim Mosque Association, Member (1969-97)
 - Board member (1984-94)
 - Vice President (1986-88)
 - President (1988-90)
- Muslim Student Association – University of Illinois, Urbana, IL (1964-68)
- Indian Student Association – University of Illinois, Urbana, IL (1964-68)
- India Association, University of California, Davis, CA (1969-70)
- Aligarh University Alumni Association, Washington D.C. area (1997-Present)

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate.
None
- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Political Office/ Committee	Position	Elected/Appointed/ Volunteer Position	Dates
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Organization			
Agriculture & Rural Advisory Committee, Obama for President	Member	Volunteer /Appointed	July-Nov 2008
Asian Americans for Obama for President	Co-Chair	Volunteer/ Appointed	June-Nov 2008
Asian Americans for Hillary Clinton for President (Primary Election Cycle)	Co-Chair	Volunteer /Appointed	Jan-June 2008
Maryland Governor Martin O'Mally Election Committee	Agriculture Transition Team Member	Volunteer /Appointed	Nov 2006-Jan 2007 (Est.)
John Kerry for President	Campaign Coordinator in Michigan	Volunteer	Oct-Nov 2004
Al Gore for President	Outreach Supervisor, Philadelphia HQ Office	Volunteer	Oct-Nov 2000

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

Elijah Cummings for Congress	\$1000	07/2009
Chris Van Hollen for Congress	\$500	11/2008
Keith Ellison for Congress	\$1000	11/2007
Andre Carson for Congress	\$275	05/2008
Obama Victory Fund	\$1300	10/2008
Barack Obama for America	\$1000	07/2008
Hillary Clinton for President	\$1500	2007
Hillary Clinton for President	\$500	2008
Tom Perriello for Congress	\$200	2007
VA District 5		
Tom Davis for Congress	\$200	2006 (Est.)
Martin O'Mally for MD Governor	\$250	2006 (Est.)
Saqib Ali for MD Delegate	\$250	2006(Est.)
Kerry Victory Fund	\$1000	08/2004
Al Gore for President	\$250	03/2000
Progressive Patriot Fund	\$500	2007
Charles Robb for Senate	\$200	07/2000

New Leadership for America PAC	\$250	05/2004
Van Hollen for Congress	\$250	10/2004
Mike Honda for Congress	\$250	06/2005
Virginia Muslim PAC	\$500	2007
CropLife America PAC	\$250	2003
CropLife America PAC	\$250	2004
CropLife America PAC	\$250	2005
CropLife America PAC	\$120	2006
CropLife America PAC	\$160	2007
CropLife America PAC	\$250	2008

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)
- U.P. Agricultural University (India), Merit Certificate (1962-63)
 - Wright Fellow in Plant Pathology, University of Illinois (1964-66)
 - Xi and Gamma Sigma Delta Honor Societies (1967-68)
 - Post-doctoral Research Fellow, University of California, Davis (1968-69)
 - California Department of Food & Agriculture, Superior Achievement Award 1982
 - USDA Secretary of Agriculture's Distinguished Service Award 1982
 - National Association of State Departments of Agriculture (NASDA)
Award for Distinguished Service 1991
 - CDFA Secretary of Agriculture's Certificate of Appreciation for 1990
Mexican Fruit Fly Eradication 1991
 - CDFA Secretary of Agriculture's Certificate of Appreciation for 1989-90
Mediterranean Fruit Fly Eradication 1991
 - USDA Secretary of Agriculture's Award for Distinguished Service 1992
 - Sacramento Area Muslim Community's Excellence in Service Award 1992
 - Senior Associate, Center for Strategic & International Studies
Biotechnology and Food Security Issue 2001-2003
 - University of Illinois – College of Agricultural Consumer and Environmental
Sciences Alumni Association Award of Merit – 2001
 - California Senate Resolution, Commendation of Distinguished Service 1997
 - California Assembly Resolution, Commendation of Distinguished Service
June 2001
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
- Book:
Siddiqui, I.A., Sher, S.A. and French, A.M. Distribution of Plant Parasitic
Nematodes in California
Published by the California Department of Food & Agriculture in 1973, 324pp

Reports:

Commercialization Prospects for Guayule in California,
California Department of Food & Agriculture 2001, 13 pp

Feasibility of Commercial Development of Guayule in California
California Department of Food & Agriculture, 2004, 51pp

Scientific Articles:

Siddiqui, I.A. and Taylor, D.P. 1967. A redescription of Aphelenchoides bicaudatus (Imamura, 1931) Filipjev & Schuurmans Stekhoven, 1941 (Nematoda: Aphelenchoididae), with a description of the previously undescribed male. Nematologica 13, 581-585.

Siddiqui, I.A. and Taylor, D.P. 1969. Feeding mechanisms of Aphelenchoides bicaudatus on three fungi and an alga. Nematologica 15, 503-509.

Siddiqui, I.A. and Taylor, D.P. 1969. Embryonic and postembryonic development of Meloidogyne naasi and comparative development on wheat and oats. J. Nematol. 1, 304-305 (Abstr.)

Siddiqui, I.A. and Taylor, D.P. 1969. Histopathogenesis of galls induced by Meloidogyne naasi in wheat and oat roots. J. Nematol. 1, 305-306. (Abstr.)

Siddiqui, I.A. and Taylor, D.P. 1970. The Biology of Meloidogyne naasi. Nematologica 16, 133-143.

Siddiqui, I.A. and Taylor, D.P. 1970. Histopathogenesis of galls induced by Meloidogyne naasi in wheat roots. J. Nematol. 2, 239-247.

Siddiqui, I.A. 1971. Histopathogenesis of galls induced by Meloidogyne naasi in oat roots. Nematologica 17, 237-242.

Siddiqui, I.A. 1971. Comparative penetration and development of Meloidogyne naasi in wheat and oat roots. Nematologica 17, 566-574.

Siddiqui, I.A. and Viglierchio, D.R. 1970. Ultrastructure of photoreceptors in the marine nematode Deontostoma californicum. J. Ultrastruct. Res. 32, 558-571.

Siddiqui, I.A. and Viglierchio, D.R. 1970. Fine structure of photoreceptors in Deontostoma californicum. J. Nematol. 2, 274-276.

Siddiqui, I.A. and Viglierchio, D.R. 1970. The fine structure of the lamellated, cytoplasmic inclusions in nematode Schwann cells. Xth Int. Nem.

Symp. European. Soc. Nematol., Pescara, Italy, 7-9 (Abstr.)

Siddiqui, I.A. and Viglierchio, D.R. 1971. Ultrastructure of the lamellated cytoplasmic inclusions in Schwann cells of the marine nematode, Deontostoma californicum. J. Nematol. 3, 264-275.

Siddiqui, I.A. and Viglierchio, D.R. 1971. The effects of Gamma Irradiation on the motility, infectivity, reproduction and morphology of Ditylenchus dipsaci. Nematologica 17, 459-469.

Siddiqui, I.A. and Taylor, D.P. 1970. Symptoms and varietal reaction of oats to the Illinois isolate of the barley root-knot nematode, Meloidogyne naasi. Plant Dis. Repr. 54, 972-975.

Nene, Y.L., Siddiqui, I.A. and Kharbanda, P.D. 1966. Control of stemgall of coriander by fungicides. Mycopathol. Mycol. Appl. 29: 142-144.

Viglierchio, D.R., Siddiqui, I.A. and Croll, N.A. 1973. Culturing and population studies of Ditylenchus dipsaci under monoxenic conditions. Hilgardia 42, 177-214.

Siddiqui, I.A. and Viglierchio, D.R. 1974. Ultrastructure of esophageal region of the marine nematode Deontostoma californicum. J. Nematol. 6, 152. (Abstr.)

Viglierchio, D.R. and Siddiqui, I.A. 1974. Pigments of the ocelli of Antarctic and Pacific marine nematodes. Trans. Amer. Micros. Soc. 93, 338-342.

Raski, D.J. and Siddiqui, I.A. 1975. Tylenchocriconema alleni n.g. n.sp. from Guatemala (Tylenchocriconematidae n. fam.; Tylenchocriconematoidea n. superfam.; Nematoda). J. Nematol. 7, 247-251.

Siddiqui, I.A. and Viglierchio, D.R. 1977. Ultrastructure of the anterior body region of marine nematode, Deontostoma californicum. J. Nematol. 9, 56-82.

R.V. Dowell, I.A. Siddiqui, F. Meyer and E.L. Spaugy. 1999. Early results suggest sterile flies may protect S. California from medfly. Cal. Agric. 53: 28-32.

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with **two** copies of each formal speech.)

Bilateral Free Trade Agreements
 CropLife India
 New Delhi, India
 June 2009

Green Innovation: Can Patents Make the World a Better Place?
 Organized by: The U.S. State Department's Economic Bureau
 At National Press Club, April 22, 2009

Public and Private Strategies to Get New Technologies from the Lab into the Field
 Le Meridien Hotel, Windsor Place, New Delhi, India
 March 4, 2008

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

During the last 25 years, I have held leadership positions in California agriculture and at the national level and the private sector. As Director of Plant Industry, California Department of Food and Agriculture (1984-1997) and Deputy Under Secretary/Senior Trade Advisor and Under Secretary (1997-2001) at the U.S. Department of Agriculture in Washington, D.C., I have gained hands-on experience in international agricultural trade issues, both in bilateral and multilateral negotiations. My most relevant experience was between March 1999 and December 2000, during the time I served as Senior Trade Advisor to USDA Secretary of Agriculture Dan Glickman. I was the primary liaison between the Office of the USDA Secretary and Office of the U.S. Trade Representative. In this capacity, I had the following experiences:

- o Co-chaired the Interagency Working Group on Sanitary and Phytosanitary Issues
- o Helped negotiate the U.S. China Bilateral Agricultural Agreement
- o Advised the Secretary on China's Permanent Normal Trade Relations (PNTR)
- o Developed remedy in the EU Beef Hormone Complaint before the WTO
- o Coordinated the Lamb Assistance Package (\$100 Million assistance to U.S. lamb industry)
- o Helped negotiate the US/EU Veterinary Equivalency Agreement
- o Co-led the US/EU Senior Level Dialogue in Agricultural Biotechnology
- o Attended the WTO Ministerial Conference (November 1999) in Seattle, Washington as a part of the U.S. delegation and participated in the WTO agricultural negotiations.
- o Accompanied and assisted Secretary Glickman to Geneva to unveil the first U.S. proposal to the WTO Committee on Agriculture in March 2000, before the Doha Development Agenda negotiations started.
- o Accompanied and assisted Secretary Glickman in meetings with the EU

Commissioner Franz Fischler and other ministers of agriculture either in capitals around the world or in Washington, D.C.

- o Attended and staffed the US/EU Summits in Lisbon, Portugal (2000) and Washington, D.C. (1999 and 2000) on issues related to hormone beef and agricultural biotechnology.

As a member of Industry Trade Advisory Committee (ITAC-3) on chemicals, pharmaceuticals, health sciences/products & services since 2004, I have advised the U.S. Department of Commerce and USTR in the Doha-NAMA negotiations and bilateral FTAs. As a result, I also attended the WTO Ministerial Conferences in 2003 in Cancun and in 2005 in Hong Kong.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

Yes

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with USTR's

designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the USTR's designated agency ethics official and that has been provide to this Committee. I am not aware of any other potential conflicts of interest.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with USTR's designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the USTR's designated agency ethics official and that has been provide to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

Co-signed a letter and appeared with other former trade officials in support of Trade Promotion Authority Legislation (H.R. 3009). 2001-2002

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

In connection with the nomination process, I have consulted with USTR's designated agency ethics official, who has consulted with the Office of Government Ethics, to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the USTR's designated agency ethics official and that has been provide to this Committee. I am not aware of any other potential conflicts of interest.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

N/A

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

Type of Proceeding	Your Involvement	Dates	Issue(s)	Location of Records
Civil litigation Pacific Merchants Shipping Association v. Voss et al. (including Islam Siddiqui)	Defendant in my official capacity	1995	Challenge to California legislation which levied inspection fees on shipments from foreign countries.	California Supreme Court

Civil litigation Alfonso Macias et al v. American Cyanamid Co, et al (including Islam Siddiqui)	Defendant in my official capacity	1989- 1990	One of many defendants in connection with the State of CA's Medfly Eradication Program in Los Angeles County.	Los Angeles County Superior Court
Civil litigation involving Sacramento Muslim Mosque Association (MMA)	Defendant in my capacity as a Board Member of MMA	1985	The opposing coalition that lost the Board election, filed the lawsuit protesting the results.	Sacramento County Superior Court

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes

UNITED STATES SENATE COMMITTEE ON FINANCE
NOMINATION HEARING, SEPTEMBER 12, 2011
QUESTIONS FOR AMBASSADOR ISLAM SIDDIQUI

QUESTIONS FROM CHAIRMAN BAUCUS

Question 1: Ambassador Siddiqui, Russia is in the final stages of negotiating its accession to the WTO, and you are the lead U.S. negotiator on Russia's agricultural commitments. Many U.S. agricultural groups are skeptical about Russia's commitment to opening its market. And their skepticism is well founded. Russia has a long history of using unscientific SPS measures as disguised restrictions on trade. They have blocked our poultry, pork, and dairy exports, among others. Mr. Ambassador, will the Administration insist that Russia make robust commitments to apply SPS measures based on sound science and international standards?

A: One of this Administration's top priorities in negotiating with Russia on its accession to the World Trade Organization (WTO) is to make sure that Russia commits to fully implement all WTO rules, including for sanitary and phytosanitary measures (SPS). WTO rules for SPS measures clearly state, in part, that the measures should be based on international standards and scientific principles, and are not maintained without sufficient scientific evidence. Our negotiators and I have been working intensively with Russia to ensure that we have meaningful market access once Russia is a WTO Member. A major focus of our efforts has been to ensure that Russia has the framework in place to comply with the WTO Agreement on Application of SPS Measures as soon as it is a Member. Once Russia joins the WTO, we also will be closely monitoring Russia's implementation of its laws and regulations to ensure compliance with the SPS Agreement.

Question 2: Ambassador Siddiqui, U.S. ranchers, including the ranchers in my home state of Montana, produce some of the highest quality beef in the world. Yet some of our most important trading partners continue to impose unscientific restrictions that limit our access to those markets.

Japan prohibits U.S. beef from cattle more than 20 months of age. China imposes an effective import ban on all U.S. beef. And Taiwan has rejected shipments of U.S. beef containing trace amounts of a U.S.-approved feed ingredient that helps produce leaner meat. What specific steps are you taking to address these and other unscientific barriers that limit U.S. beef exports?

A. Achieving full market access for U.S. beef and beef products remains a top priority for this Administration. The United States continues to urge China, Japan, and other countries to reopen their beef markets fully in a manner that is based on science, consistent with international guidelines, and commercially viable. In fact, we are now working with China and Japan to set up high-level engagements this fall on market access for U.S. beef and beef products. USTR and USDA will keep Committee members apprised as we have additional details on the specifics of our discussions. This planned engagement demonstrates the Administration's commitment to honor the promise that Ambassador Demetrios Marantis made to meet with China and Japan on beef market access within 120

days of the July 7, 2011, Senate Finance Committee mock mark up of the U.S.-Korea trade agreement.

The Administration also shares your deep concerns regarding Taiwan's unwarranted ban on the use of ractopamine, a common feed additive. This restriction continues to cause significant disruption to U.S. beef trade to Taiwan. We have been clear with Taiwan authorities that these actions have damaged Taiwan's reputation as a responsible trading partner and have undermined our ability to move forward with efforts to deepen bilateral economic cooperation through our Trade and Investment Framework Agreement (TIFA) process. The Administration continues to urge Taiwan to take steps to address our legitimate concerns, live up to its bilateral and multilateral obligations, and create a fairer and more predictable trade environment for U.S. agricultural exports.

Question 3: The U.S. Department of Agriculture (USDA) has issued a proposed rule that would authorize USDA to take over regulation of catfish from the Food and Drug Administration, which currently regulates all seafood. The proposed rule includes two alternative definitions of catfish. The first definition is limited to the handful of species comprising the family Ictaluridae. The second is a far broader definition that includes over 2,700 species of the order Siluriformes. The broad definition would affect a large number of imports. In its risk assessment, USDA cited its limited ability to make strong statements about the baseline risk due to lack of information and experience with implementing this type of program in the context of aquaculture as a difficulty in estimating the impact of the program. I want to be confident that the final rule will comply with our international trade obligations, including the requirement to base our SPS measures on scientific evidence and a risk assessment. What steps is USTR taking to ensure that the Administration promulgates a final rule that is consistent with WTO rules?

A: The 2008 Farm Bill transferred the responsibility for regulating catfish to USDA and required the department to publish the rule in question. USTR has been an active participant in the interagency process and continues to work closely with USDA, FDA, Commerce, and the other interested agencies to ensure that the catfish rule is consistent with our international trade obligations.

QUESTIONS FROM SENATOR HATCH

Question 1: Ambassador Siddiqui, could you tell us which of our trade competitors have negotiated, signed – and even implemented – free trade agreements with Colombia, Panama, and Korea in the years since we signed our deals with them? Do American farmers and ranchers compete with farmers from these countries in Colombia, Panama and Korea?

A: Global trade in agricultural products is a highly competitive arena as you know. But as the world's most efficient producers, America's farmers and ranchers have demonstrated time and again their ability to compete in the global marketplace. This competitiveness helps to explain why USDA is forecasting U.S. agricultural exports to reach \$137 billion for fiscal year 2011. There is no doubt that third party trade agreements can present

challenges in terms of impacting U.S. competitiveness in a given market. We've seen that happen in Colombia, where that country's preferential arrangements with its MERCOSUR neighbors have eroded U.S. import market share in recent years for such products as wheat, corn, and soybean meal. The recently implemented Colombia-Canada FTA will, if not countered by our own FTA with Colombia, provide Canadian producers certain advantages over American producers and exporters. The same is true in Korea where that country's FTA with the European Union took effect this past July. The preferential access these third party agreements provide to our competitors make it all the more imperative that the pending agreements with Korea, Colombia, and Panama are passed and implemented as soon as possible.

Question 2: With respect to the Colombia, Panama, and South Korea free trade agreements, could you please identify which provisions of these agreements dealing with agriculture improved market access for American farmers and ranchers through negotiations by the Obama Administration since President Obama took office? Can you please identify how much market share U.S. agricultural exports have lost in Colombia, Panama, and Korea since the President took office? Could you also please provide the United States market share of exports of corn and wheat to Colombia in 2009, 2010, and projected for 2011?

A: With respect to the pending trade agreements, the focus of the Administration has been on addressing the outstanding concerns that had been impeding Congressional approval of the FTAs. As for the broader issue of the United States' import market share for agricultural products generally, and in Colombia, Panama, and Korea specifically, global agricultural trade occurs in a very dynamic environment, with factors such as weather, animal and plant disease outbreaks, economic conditions, commodity prices and availability, exchange rates, and other factors influencing year-over-year trade flows and trade performance in any given market. In Korea, U.S. agricultural import market share went from a 2008 level of 35 percent to 32 percent in 2010.

The United States remains the dominant supplier of agricultural products to Panama with a 47 percent import market share in 2010, a slight decrease from a record high of 51 percent in 2008 (2002-2010 period); four times as much the second largest supplier, Costa Rica, which had an import market share of 10 percent in 2010. In Colombia, the U.S. import market share declined from 46 percent in 2008 to 21 percent in 2010. As for our import market share situation for corn and wheat in Colombia, in 2009 our import market shares were 38 and 46 percent, respectively, and in 2010 were 19 and 44 percent, respectively. While we do not have import market share projections that we can provide you for 2011, it should be noted that our wheat exports to Colombia for January through July are up 21 percent (volume basis) over the same period in 2010, while our exports of corn over the same period are down 25 percent. Overall, the value of our agricultural exports to Korea, Colombia, and Panama through the first seven months of 2011 was up 42, 74, and 6 percent, respectively, compared to the same period in 2010. The approval and implementation of our FTAs with these trading partners will provide American agriculture an array of new and expanded opportunities to build upon this impressive growth going forward.

Question 3: Ambassador Siddiqui, in July, my colleague Senator Grassley and 27 other Senators sent a letter to Ambassador Kirk highlighting Russia's failure to abide by a 2008 US-Russia meat agreement with the United States. A week later, 83 members of Congress signed on to another letter outlining a wide range of Russian policies and actions which are inconsistent with the WTO Sanitary and Phytosanitary Agreement and which limit U.S. agricultural exports to Russia. Also in July, Senator Stabenow sent a letter regarding Russia's unfair trade practices vis a vis the U.S. auto industry – practices which clearly violate the WTO Trade Related Investment Measures agreement.

In addition, Senators Wicker, Cardin and McCain, filed a sense of the Senate stating that “in cases dealing with perceived threats to authorities, the judiciary of Russia is frequently used as an instrument of the Kremlin and is not truly independent.” My colleagues and I continue to raise these and other serious issues our farmers and ranchers face in Russia, and yet, it seems that the Administration is pushing for Russia to join the WTO by the Ministerial meeting in December.

Can you confirm for me whether or not the Administration's goal continues to be to invite Russia to join the WTO in December – and if so – can you lay out for us the strategy, including a time line, for how you plan to resolve the issues I noted above, and other outstanding issues, satisfactorily by then? Also, if Russia were to join the WTO in December, when would the Administration want Congress to vote on repealing Jackson-Vanick and granting Russia permanent normal trade relations?

A. It is my understanding that Russia plans to finish its WTO accession negotiations by the time of the WTO's Ministerial Conference in mid-December. The Obama Administration strongly supports that goal and continues to work with Russia and other WTO Members to ensure that Russia's accession package is a solid commercial package. Our team has worked with Russia to bring its regime into compliance with the WTO SPS Agreement in order to create better and more predictable market access for our ranchers and farmers. We are also working with Russia to understand its investment incentive program for the automotive industry and its effect on the United States. While we understand that this program is very important to the Russian Government, we are working to limit its duration and potential adverse impact on the U.S. automotive industry.

Ideally, Jackson-Vanik should be lifted prior to WTO approval of the terms for Russia joining the WTO. This would ensure that U.S. workers, ranchers, and farmers have access to the full benefits of Russia's accession and that the Administration has more tools to ensure that Russia complies with its commitments. If Congress does not act on lifting the Jackson-Vanik before Russia joins the WTO, American businesses, farmer and ranchers would not enjoy the benefits resulting from Russia's accession, while additionally allowing our trading competitors to enjoy those benefits at our expense, giving them a competitive advantage.