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CONTACT: [Julia Lawless](#), [Antonia Ferrier](#)
(202) 224-4515

**HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE ROLE OF
TRADE NEGOTIATING AUTHORITY IN INTERNATIONAL TRADE**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement today at a committee hearing examining the role trade negotiating authority plays in advancing international trade:

Thank you, Mr. Chairman, for holding this hearing. Before I begin my remarks, I just want to take a moment to express my sincere disappointment that the U.S. Trade Representative did not accept my invitation to testify at this hearing today.

This is an important issue. It's important to the administration – or at least it very well should be.

If the administration does not get more involved in this effort to pass trade negotiating authority, we're not going to be successful. It's just that simple.

Put simply, this is not an issue where the President can lead from behind.

With that in mind, I hope we can still have a productive and informative hearing today.

As any student of government knows, Article One, Section Eight of the U.S. Constitution grants Congress the power "To lay and collect Taxes, Duties, Imposts and Excises" and "To regulate Commerce with foreign Nations."

Congress uses this constitutional authority in many different ways.

These ways include: creating trade remedies to help U.S. business compete with unfair imports; imposing sanctions on imports from unfriendly nations such as Iran; granting unilateral tariff reductions through approval of bills granting miscellaneous tariff relief or through programs such as the Generalized System of Preferences; implementing reciprocal trade agreements among countries to reduce tariffs; and, finally, creating agencies to administer U.S. trade law and policy such as the Office of the United States Trade

Representative and the International Trade Commission.

When it comes to negotiating trade agreements with other countries, however, Congress' capacity to speak with one voice to foreign nations is inherently limited. Under Article Two of the Constitution, the Executive Branch has the authority to negotiate treaties and international agreements.

Throughout U.S. history, Congress has sought the most effective way to enhance and effectively utilize its authority over international trade agreements. As our world became increasingly globalized at the turn of the 20th century, the issue became more acute, culminating in Congressional approval of the Smoot-Hawley Tariff Act in 1930.

Now, I don't want to unfairly denigrate Senator Smoot. After all, Senator Smoot had a highly distinguished career as a senior Republican Finance Committee leader from Utah, but in this instance, he and Congressman Hawley got it flat wrong.

The Smoot-Hawley Tariff Act was perhaps one of the most misguided trade bills ever devised by Congress.

It raised tariffs to unprecedented levels, contributing to the longevity and severity of the Great Depression. Franklin Delano Roosevelt recognized the role trade could play in helping spur economic prosperity, and proposed a new framework under which Congress could effectively regulate tariffs at home and in so doing, reduce tariffs overseas and open up markets to U.S. products.

Under the Reciprocal Trade Agreements Act of 1934, Congress authorized the President to negotiate limited tariff reductions on a reciprocal basis.

That bill has served as the foundation of every iteration of trade negotiating authority since 1934. It has been a highly effective tool in reducing trade barriers overseas and opening up global markets to U.S. goods and services, all the while retaining Congress' constitutional authority over trade.

Unfortunately, the last iteration of trade negotiation authority expired over seven years ago.

Since then, our nation has not concluded negotiations on a single new trade agreement.

The Obama Administration has launched several new trade initiatives, including the Trans-Pacific Partnership in the Asia-Pacific region and the Transatlantic Trade and Investment Partnership with the European Union.

But without trade negotiating authority, Congress' power to set priorities for these negotiations and to ensure that our priorities are met is limited. That's why Senator Baucus and

I, along with Chairman Camp of the House Ways and Means Committee, recently introduced the Bipartisan Congressional Trade Priorities Act, which will renew trade negotiating authority.

Through the strong negotiating objectives outlined in our bill, Congress has the opportunity to set forth clear priorities for our negotiations and to articulate standards that our trade agreements must meet in order to be approved.

These negotiating objectives were developed after close consultation with many stakeholders.

The objectives are updated to address many of the challenges our workers and job-creators face when competing to export American goods and services overseas, including problems relating to localization barriers, state-owned enterprises, and currency manipulation.

The bill also maintains objectives seeking high standards of protection for U.S. intellectual property rights holders and advances trade negotiating objectives for the digital age.

In addition, the bill expands and enhances Congress' role in ongoing international trade negotiations through strengthened consultation mechanisms, including provisions that require USTR to meet and consult with any interested member of Congress at any time. It also allows any member of Congress to be designated as a Congressional Advisor and to attend negotiating rounds.

Should the Administration fail to consult with Congress or abide by the procedures outlined in the bill, Congress retains the ability to cut off the authority provided under our legislation.

Finally, our bill ensures that Congress retains clear authority over the scope of the implementing bill as well as enhancing Congressional oversight over ongoing trade negotiations. It is a carefully crafted and balanced package which will enable Congress to more effectively utilize its constitutional authority to open global markets for U.S. goods and services and grow our economy.

While I am, once again, disappointed that Ambassador Froman did not accept my invitation to testify today, I am pleased that we have a number of witnesses representing a broad range of views to help us discuss Congress' role in advancing international trade negotiations.

I look forward to their testimony. Mr. Chairman, thank you again for all of your hard work both on the legislation itself and in helping us prepare for today's hearing.

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