

# NOMINATION OF KATHERINE C. TAI

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## HEARING

BEFORE THE

## COMMITTEE ON FINANCE

## UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

ON THE

NOMINATION OF

KATHERINE C. TAI, TO BE UNITED STATES TRADE REPRESENTATIVE,  
WITH THE RANK OF AMBASSADOR EXTRAORDINARY AND  
PLENIPOTENTIARY, EXECUTIVE OFFICE OF THE PRESIDENT

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FEBRUARY 25, 2021

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**NOMINATION OF KATHERINE C. TAI, TO BE  
UNITED STATES TRADE REPRESENTATIVE,  
WITH THE RANK OF AMBASSADOR  
EXTRAORDINARY AND PLENIPOTENTIARY,  
EXECUTIVE OFFICE OF THE PRESIDENT**

**THURSDAY, FEBRUARY 25, 2021**

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

The WebEx hearing was convened, pursuant to notice, at 10 a.m., in Room SD-215, Dirksen Senate Office Building, Hon. Ron Wyden (chairman of the committee) presiding.

Present: Senators Stabenow, Cantwell, Menendez, Carper, Cardin, Brown, Bennet, Casey, Warner, Whitehouse, Hassan, Cortez Masto, Warren, Crapo, Grassley, Cornyn, Thune, Burr, Portman, Toomey, Scott, Cassidy, Lankford, Daines, Young, Sasse, and Barrasso.

Also present: Democratic staff: Michael Evans, Deputy Staff Director and Chief Counsel; Ian Nicholson, Investigator and Nominations Advisor; Joshua Sheinkman, Staff Director; and Jayme White, Chief Advisor for International Competitiveness and Innovation. Republican staff: Gregg Richard, Staff Director; Mayur Patel, Chief International Trade Counsel; and John O'Hara, Trade Policy Director and Counsel.

**OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR  
FROM OREGON, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. We continue nominations week here in the Senate Finance Committee, and today we will be welcoming Katherine Tai, President Biden's nominee to serve as the United States Trade Representative.

I want to begin this way. America's trade policy needs to be smarter and stronger. Four more years of mean tweets and chaos from the White House will not cut it when our country is calling for more high-skill, high-wage jobs. Fortunately, chaos is not President Biden's style. A smarter, stronger trade policy requires a savvy leader as the U.S. Trade Representative who understands what working Americans are actually going through and knows how to develop a path for them to get ahead. That is precisely what Katherine Tai will bring to this job.

Ms. Tai has a wealth of experience working on trade policy from just about every angle. She has leadership experience fighting back against China's trade cheating. She was at the forefront of efforts

to improve the new NAFTA when the previous administration handed the Congress a deal that was not good enough for American jobs. She has a proven track record of achieving wins for workers and businesses; for the environment; and for ranchers, farmers, and innovators.

And as colleagues know—and I saw everyone visiting before we started—she is no stranger to us at the Finance Committee. She worked very closely with us, and the Ways and Means Committee, on the USTR's priorities.

So we are going to have a lot to do in the months ahead. In my view, it starts with developing a tougher, new approach to China. To the extent that the previous administration ever had a strategy beyond the ex-President's gut impulses, it just did not get the job done.

The Chinese market is now more closed off to American goods and services today than it was 4 years ago. There has not been any real change to the trade rip-offs that wiped out so many American jobs and stole so many innovative ideas over the decades. I am confident that President Biden and Ms. Tai will do better.

The committee is also going to put a special focus on ending the import of goods produced with forced labor. It is enough that forced labor is morally repugnant; it is also true that when American workers have to compete with slave labor, everybody loses. It is a race to absolute rock bottom for workers' wages.

Next, the United States needs a full blockade against other countries' discriminatory policies aimed at knifing our industries with taxes where America leads, such as digital goods and services. Trade in stolen timber and other natural resources that damages the environment and edges out hardworking Americans in the forestry sector has to be stopped.

There is a lot of work to be done when it comes to implementing the new NAFTA. Ms. Tai knows firsthand that the new NAFTA raised the bar for labor standards, environmental rules, and digital trade. But the agreement only delivers for American workers and businesses if it is implemented and enforced the right way. We want to work with the USTR on that process.

Bottom line, getting trade done right is heavy lifting. It is not just about angry tweets and flimsy trade deals that produce more headlines than good-paying jobs. Trade done right is about strong enforcement that protects American workers and businesses and creates new opportunities to raise wages and increase our exports. It raises the bar for labor and environmental standards and digital rules around the world so that the global economy competes on our terms.

A U.S. Trade Representative leads the effort, but it also involves other agencies—Customs and Border Protection, as well as the Departments of Commerce and Agriculture, State, the Treasury, and others. And it requires strong and steady relationships with our international economic allies. None of that came easily to the last administration. In my view, the chaos that came out of the White House over the last 4 years cost a lot of opportunities to help our workers actually get ahead.

So I am glad that President Biden is already taking a different tack, and in my view he made a superb choice for U.S. Trade Rep-

representative. I trust Ms. Tai's judgment, and I know the depth of her experience. She is the daughter of immigrants to the United States. As a first-generation immigrant myself, I know how much it means to give back to the country that welcomed in our families. And rounding out a week of historic firsts here in this hearing room, she will be the first woman of color to serve as U.S. Trade Representative.

She has a lot of fans on both sides of the committee, and I am pleased to be able to support her nomination. I thank her for coming today, and I look forward to questions. And let us hear from our ranking member, Senator Crapo.

Senator Crapo?

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

**OPENING STATEMENT OF HON. MIKE CRAPO,  
A U.S. SENATOR FROM IDAHO**

Senator CRAPO. Thank you, Mr. Chairman. And, Ms. Tai, welcome to you, and congratulations on your nomination.

The U.S. Trade Representative is a very important position, where today's decisions will be felt for years to come. A successful trade policy means more high-paying jobs. We need these jobs more than ever if we are to emerge from this pandemic stronger than before.

I know the importance of free trade very well. Idaho exports over \$4 billion in goods annually, including \$1.7 billion in computer and electronic goods. Remarkably, 85 percent of Idaho's exporters are businesses that employ fewer than 500 people. We cannot forget that.

Free trade does not just strengthen the powerful, it empowers all Americans, including those running and working in smaller businesses. It does so for a simple reason: we sell high-quality goods and services that people around the world want. We do not need to be intimidated by foreign competitors. Our market is already one of the most open in the world.

Our problem is not about whether to open our market further, it is in fact that too many foreign markets remain closed to us. History demonstrates repeatedly that Americans do very well in foreign markets, if only given the chance—the chance to participate in an environment of fair trade.

For example, bringing down just some of Japan's agricultural barriers in the U.S.-Japan Phase 1 deal increased Idaho's agricultural exports by over a third. The importance of fair trade, and the price of it being denied, is also well understood by the people of Idaho.

Idaho is the home of Micron Technology—a global leader in semiconductors and the technology of the semiconductor industry. Chinese state-owned companies stole Micron's trade secrets in order to secure an unfair advantage. China's systematic theft of American innovation has been estimated to cost the United States nearly half a trillion dollars each year.

Idaho's softwood lumber producers face an uneven playing field against subsidized Canadian exports. We cannot let the 750,000

jobs in the lumber industry or the 420 million acres of family-owned timberlands be threatened by unfair subsidies.

Idaho's world-famous potatoes cannot be shipped more than 16 miles south of the Mexican border because of protectionism disguised as a safety measure. Potato farms, including Cranney Farms in Oakley, ID, gave away millions of potatoes last year because domestic customers dried up as a result of the pandemic.

Put plainly, the United States does not just lose potential opportunities when its leaders fail to engage appropriately on trade. Our businesses and workers lose ground here at home, in every State.

This is why the U.S. needs an effective USTR to tear down trade barriers and confront abusive trade practices. President Biden has nominated someone with extensive trade policy experience, including the experience litigating major trade disputes against China.

I look forward to hearing more from you, Ms. Tai, regarding how you would use your experience to engage the numerous challenges facing the United States, if confirmed as our U.S. Trade Representative.

Your experience, no matter how extensive, will go to waste if the Biden administration's approach to trade policy ends up being a "time out," as some officials have already suggested. In particular, I am referencing statements by administration officials who have asserted that the President will not sign any new trade agreements until he sees his domestic priorities achieved, including strengthening "Buy American" requirements in government purchasing.

Ms. Tai, you must make the President understand that trade is a domestic priority for hundreds of millions of Americans. I am happy to discuss "Buying American." However, our businesses and workers are ready to "Sell American" to all foreign customers—right now.

While often said, it is worth repeating: most of the world's customers are outside of the U.S. borders. Americans deserve to sell their products and need access to that huge foreign marketplace.

Our businesses need that access more than ever, because other countries are not standing still. The United Kingdom is the fifth largest economy in the world. And the UK is taking advantage of its newfound freedom from EU restrictions to aggressively negotiate its own new trade deals. Our special political relationship with the UK must now be complemented with a special economic relationship that will increase employment and output on both sides of the Atlantic.

It is not just our allies that are moving forward. Other countries are taking steps that may push us back even further if the United States is seen as standing still and not negotiating trade deals. Notably, China is moving forward with the Regional Comprehensive Economic Partnership, or RCEP. It is arguably the largest free trade agreement in the world. Yet, the RCEP has weak rules on intellectual property and protecting foreign investment. And the RCEP has no rules whatsoever on state-owned enterprises, labor rights, or environmental protection.

If the Biden administration wants a worker-centered trade policy, as it claims it does, then our USTR should ensure that the international trading regime strongly reflects American values rather than those of China.



In short, the need for an energetic and effective trade policy is more compelling than ever. I expect Ms. Tai will well demonstrate in today's hearing that she has the requisite skillset to deliver as much. But the question is whether she will have the President's support to do so. I hope for America's sake that she will.

Mr. Chairman, thank you for holding this hearing today, and I look forward to hearing from Ms. Tai.

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

The CHAIRMAN. I thank my colleague. And we have a few guests from the House, distinguished guests: Chairman Richard Neal and his ranking member, Kevin Brady. Let's allow them to make an introduction.

Chairman Neal?

**STATEMENT OF HON. RICHARD E. NEAL,  
A U.S. REPRESENTATIVE FROM MASSACHUSETTS**

Representative NEAL. Thank you, Chairman Wyden, Ranking Member Crapo, and members of the committee. It is certainly an honor and delight to be here with my friend, the ranking member of the committee, Mr. Brady.

It is not every day that one has the opportunity in these institutions to introduce a key member of your staff at their confirmation hearing for the top job in their field. Or, as we frequently refer to the Ways and Means Committee, "the family."

In nominating Katherine Tai to be the United States Trade Representative, President Biden selected a knowledgeable, tenacious trade expert who will use her perch to better the lives of the American people. As noted, the first woman of color, and the first Asian-American, her nomination is indeed historic. What is still to come will be how we define the history of this moment. And we will ultimately, I know, remember Katherine for the great work that she will do.

I was struck by her own reflection of the work that has guided us through trade questions during these past years, but always guided by the promise of extending the same hope and opportunity that this country extended to her and her family many years ago.

I am glad that Chairman Wyden mentioned the immigrant experience, because I share it as well with grandparents. Inspired by the example of her parents—and I learned this morning her mom has a degree from the University of Massachusetts—Katherine is a second-generation public servant. She began her trade career at USTR back in 2007 as Associate General Counsel. Later, she served as Chief Counsel for China Trade Enforcement, where she represented our interests before the World Trade Organization.

It was from there that the Ways and Means Committee had the good fortune of having Katherine join our team. Her time has been filled with many accomplishments, but none greater than the pivotal role that she played behind the scenes in our successful work to improve the largest trade agreement in American history, the U.S.-Mexico-Canada Agreement, which secured widespread support in terms of passage. A reminder this morning: 195 Democrats voted for USMCA, and 194 Republicans voted for USMCA.

While I talk about it often, it has not received the sort of attention that this feat accomplished, or the credit that it deserved. Katherine was very much a part of crafting the agreement that drew support far and wide across the political spectrum and, even more importantly, in our caucus.

A skilled negotiator, she was able to include tough labor and environmental standards in USMCA that will now allow us to uphold strong moral leadership in future deals. Most importantly, there is one issue that all of us in this room agree upon: enforcement, enforcement, enforcement of these trade agreements.

It is her understated grit and outstanding character that have distinguished her, and why her nomination has drawn support from Democrats and Republicans, as well as leaders from labor, business, and the environmental communities.

Having worked with Katherine for many years, I can say without hesitancy that no one is better prepared to represent the United States in the global trade arena as we recover from the pandemic and reestablish our dominance on the world stage. And given the trade policy and its understanding of the requirement for close collaboration between Congress and the administration, Katherine is uniquely situated to succeed.

Looking ahead to reinvigorating our economy, Katherine will use sound domestic and international trade policy to better develop our workforce and level the playing field for hardworking Americans. As the United States seeks to repair strained relationships with our partners around the world and address increasingly perilous challenges from China, Katherine will be an honorable and effective representative for our Nation, our people, and our interests.

She is a trailblazer, and without doubt the best choice to fill this critical position. I would urge all of you to support her nomination. And, while I am going to miss her counsel, it will truly be an honor to continue working with Katherine Tai, the United States Trade Representative, and I look forward to calling her Madam Ambassador.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you for an excellent statement, Mr. Chairman. And we will underline in the record that you consider her to be a "trailblazer." That is a very important thing.

Mr. Brady, welcome.

**STATEMENT OF HON. KEVIN BRADY,  
A U.S. REPRESENTATIVE FROM TEXAS**

Representative BRADY. Thank you, Chairman Wyden, Ranking Member Crapo, and members of the Finance Committee. It is a great pleasure to be here to introduce Katherine Tai on her nomination as U.S. Trade Representative.

It is a particular pleasure for two reasons. The first is, I can join with my friend and colleague, Chairman Neal, in a bipartisan show of support for Ambassador-designate Tai's nomination. But a second is that Ambassador-designate Tai is such a qualified nominee, with a well-earned reputation as a knowledgeable and skillful trade lawyer, negotiator, and consensus-builder.

Her credentials are impeccable. With the extensive experience at USTR the chairman mentioned, and particularly as a distinguished

alum of our Ways and Means Committee family, she understands how the Hill works. As members of Congress, we are assured that she knows article I, section 8 of the Constitution backwards and forwards. She knows firsthand that trade policy is successful for American workers and for job creation only when there is a true partnership between the executive branch and us in Congress about the goals and executions of trade policy.

She understands that the core of that partnership is transparency and thorough consultation with members of Congress and their staff. I am confident she will work with us to develop a bipartisan consensus on trade policy before taking action. Her knowledge and work on USMCA, as the chairman said, certainly shows her commitment to taking all views into account.

I will encourage her to use that spirit of consensus so that we can together determine appropriate partners and goals for strong, enforceable trade agreements and finish trade negotiations with the U.S., Kenya, and Japan, as well as take our trade agreement with China to the next level.

I also look forward to working with her to extend Trade Promotion Authority to recognize and formalize our partnership and goals. In this way, we can negotiate trade agreements that prioritize Americans and our workers.

I am certain that Ambassador-designate Tai will take her enforcement mission very seriously. She knows firsthand trade agreements are worthwhile only if they are both enforceable and enforced.

I take particular pride in having worked across the aisle with Chairman Neal and Ambassador-designate Tai to make sure that USMCA contained an enforcement mechanism that is greatly improved from NAFTA. Our enforcement mechanisms built into our trade agreements give her the tools she needs to hold our trading partners to account. I know she will insist that countries abide by their obligations. Whether it is making sure China complies with its obligations under the Phase One agreement, addressing blatant revenue grabs by various trading partners through the use of digital services taxes, or challenging Mexican and Canadian practices that violate USMCA, I am confident she will not only be watching but acting.

Ambassador-designate Tai also understands the importance of the WTO, as well as the need to reform its institutions in a constructive way. And I hope she will work with us to take care of unfinished business by renewing GSP and MTB as soon as possible.

Senators, it is an honor to be here. For all these reasons, I am delighted to support the nomination of Katherine Tai of our Ways and Means family to be our next U.S. Trade Representative.

Thank you.

The CHAIRMAN. Congressman, thank you very much for coming and, in a challenging political climate, sending a very powerful message that you and the chairman are here together on behalf of Ms. Tai. And we thank you both.

I know you have busy schedules, so we will excuse you at any point. And we thank you again for being here.

Now, Ms. Tai, normally we would have your opening statement next, but our intelligence sources say that you may have some fam-

ily in the house. And if that is the case, we would like it if you would introduce them.

Ms. TAI. Thank you very much, Chairman Wyden. Today I have with me my mother Betty Tai and my husband Robert Skidmore. I wanted to thank them for their support and their many sacrifices, without which I would not be here today. Thank you very much.

The CHAIRMAN. We are glad you are here, and you are social distancing with your loved ones, so we thank you both.

Okay, Ms. Tai, now it is time for your opening statement, then we will ask questions. And again, we are just thrilled that the President selected you, and we look forward to you being confirmed, and confirmed quickly. We have a lot of heavy lifting to do. Let's have your opening.

**STATEMENT OF KATHERINE C. TAI, NOMINATED TO BE UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY, EXECUTIVE OFFICE OF THE PRESIDENT, WASHINGTON, DC**

Ms. TAI. Thank you so much, Mr. Chairman, Ranking Member Crapo, and members of the committee. Thank you for the opportunity to appear before you today. And I want to thank my family for being here as well.

The chance to serve the American people, fight on their behalf, and represent them on the world stage once again will be the greatest honor of my life. I thank President Biden for providing me with that opportunity.

Serving as the U.S. Trade Representative holds special resonance for me as the daughter of immigrants. My parents were born in mainland China and grew up in Taiwan. The immigration reforms set in motion by President Kennedy opened a path for them to come here as graduate students in the sciences, and they made the most of their American opportunity.

At Walter Reed, my dad helped the Army research treatments for illnesses that debilitated GIs during the Vietnam War, the war in which my father-in-law fought bravely as a young man.

My mom still works at the National Institutes of Health. She has a clinical trials network developing treatments for opioid addiction that will help to stem an epidemic causing so much suffering in our communities.

I am proud of their service to the Nation that welcomed them, and I am proud to live in a country where, in just one generation, their daughter could grow up to represent the United States and our interests around the world. That sense of pride and patriotism will ground me every day, if I have the honor to be confirmed as United States Trade Representative.

I know that the challenges ahead are significant. Our first task will be to help American communities emerge from the pandemic and economic crisis. USTR has an important role to play in that effort. Working with Congress, the entire Biden-Harris administration, and other countries and trusted partners, USTR will help to build out strong supply chains that will get our economy back on track.

In the longer term, we must pursue trade policies that advance the interests of all Americans—policies that recognize that people

are workers and wage earners, not just consumers; policies that promote broad, equitable growth here at home; policies that support American innovation and enhance our competitive edge.

That is why I will make it a priority to implement and enforce the renewed terms of our trade relationships with Canada and Mexico. Too often in the past, Congress and the administration came together to finalize and pass a trade agreement, but then other urgent matters arose, and we all moved on.

The United States-Mexico-Canada Agreement is a uniquely bipartisan accomplishment that must break that trend. It represents an important step in reforming our approach to trade. We must all continue to prioritize its implementation and success. We must continue to pursue trade policies that are ambitious in achieving robust bipartisan support.

I will also prioritize rebuilding our international alliances and partnerships, and re-engaging with international institutions. We must do the hard work and secure the necessary reforms that allow the world to come together and address common threats like climate change, the COVID pandemic, and a global economic downturn.

That duty of leadership extends of course to addressing the challenges posed by China. I previously served as America's chief enforcer against China's unfair trade practices. I know firsthand how critically important it is that we have a strategic and coherent plan for holding China accountable to its promises and effectively competing with its model of state-directed economics.

I know the opportunities and the limitations in our existing toolbox, and I know how important it is to build what the President has termed "a united front of U.S. allies." We must recommit to working relentlessly with others to promote and defend our shared values of freedom, democracy, truth, and opportunity in a just society.

China is simultaneously a rival, a trade partner, and an outsized player whose cooperation we will also need to address certain global challenges. We must remember how to walk, chew gum, and play chess at the same time.

That means here at home, we must prioritize resilience and make the investments in our people and our infrastructure to harness our potential, boost our competitiveness, and build a more inclusive prosperity. We must also impart the values and rules that guide global commerce, and we must enforce those terms vigorously.

Having spent my career fighting for American workers, I am honored by the opportunity to work alongside the bright and dedicated public servants at USTR, with our partners and allies, and with each of you.

Having served nearly 7 years in the House of Representatives, I know that U.S. trade policy is most successful when it is conducted through a healthy partnership between the administration and the Congress.

I look forward to answering your questions. Thank you.

[The prepared statement of Ms. Tai appears in the appendix.]

The CHAIRMAN. Thank you very much, Ms. Tai. We have some obligatory questions that we have to ask before we get into members' questions. I think you are aware of that.

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?

Ms. TAI. No.

The CHAIRMAN. Second, 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?

Ms. TAI. No.

The CHAIRMAN. 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?

Ms. TAI. Yes.

The CHAIRMAN. Finally, do you commit to provide a prompt response in writing to any questions addressed to you by any Senator of this committee?

Ms. TAI. Yes.

The CHAIRMAN. Very good. Now Senator Crapo and I will begin with our questions. We have lots of member interest so, colleagues, we are going to try to stick closely to the 5-minute rule.

Ms. Tai, it seems to me we have to begin with the reality that America sacrificed 4 years of trade leverage, particularly stiffing allies who wanted to work with us on key questions, particularly China. So my first question to you is, how do you intend to work with our trading partners to direct a full-court press against China to force an end to their policies of stealing our intellectual property and forced transfer of technology to them?

Ms. TAI. Chairman Wyden, thank you for your question, and for highlighting this important aspect of the trade policy that the United States needs to have going forward.

I think, with respect to working with others, I want to acknowledge right up front that working with others is hard work. And I think that that hard work begins by engaging, reaching out, and having the conversations, which will sometimes be quite difficult, about how we can work together and how we can capitalize on our shared interests to make more effective policy together.

The CHAIRMAN. Now, with respect to the next major area, USMCA, the Trump administration proceeded, while several outstanding issues were up in the air. To this day, Canada has not come into compliance on dairy requirements; Mexico lags on implementation of their labor laws. We wrote this law so that it would have real teeth, and I am very pleased that we were able to get in a brand-new Brown-Wyden rapid response mechanism to address labor violations and ensure that we would have the strongest labor standards ever in a U.S. trade agreement. Could you just kind of give us your top priorities going forward when you hit the ground, if you are confirmed—I am convinced of it. What are going to be your top priorities for using these new tools to enforce USMCA?

Ms. TAI. Senator Wyden, I think the top priority for USMCA is to use those tools. The renegotiation of the NAFTA—I believe that

all of you have been through that effort. It was hard. That was hard work. And the agreement that we have now has, as Ranking Member Brady referenced, an improved overall enforcement mechanism, improved from the original NAFTA.

And as you have referenced, Chairman Wyden, it has new mechanisms on labor enforcement, in particular, that are novel not just to this agreement, but to U.S. trade agreements across the board.

The key to using the USMCA and making it successful is to exercise the tools that were so hard-fought to be incorporated into the agreement.

The CHAIRMAN. Let me go next to the question of digital taxes, because we are seeing many countries around the world in effect deploying what I call a digital dagger. And it is right at the heart of American companies that provide high-skilled, high-wage jobs. It really just seems an effort to hold our companies back to advantage others.

What tools and forums can you use at USTR to beat back this kind of digital protectionism that can do so much damage to our sector that really leads in these areas? That is why countries are targeting it.

Ms. TAI. Chairman Wyden, I am aware of the development and proliferation of the digital services tax efforts by different countries around the world. I want to acknowledge that, if confirmed, this will be an area that will require close coordination, not just between the administration and Congress, but the different parts of the administration, in particular USTR and the Treasury Department.

I know that the Biden administration is committed to cooperative multilateral efforts at the OECD and the G20, and if confirmed, I will look forward to working with colleagues in the administration and with the Senators on this committee, the members of the Ways and Means Committee, and Congress overall to address the issue.

The CHAIRMAN. Let me close on the issue of tariffs. Under section 232, the previous administration imposed tariffs on steel and aluminum imports that they said threatened to impair national security. The tariffs are still in place for most countries, including many of America's allies, and as a result, a number of our trading partners have imposed retaliatory tariffs on our exports.

Recognizing that the Commerce Department administers this rather than USTR, you are also going to play an important role in tariff policy, because it is part of the trade toolbox.

In your view, what role should these tariffs play in a worker-focused trade policy?

Ms. TAI. Well, Senator Wyden, the tariffs—I want to acknowledge that you are absolutely right, the 232 program is under the authority of the Commerce Department, but if confirmed, I would hope very much to work closely as USTR with the Commerce Department and other parts of the administration on the landscape that we have before us.

I also want to say with respect to tariffs, that tariffs are a legitimate tool in the trade toolbox. It is because of tariffs that the Senate Finance Committee and the Ways and Means Committee have original jurisdiction over trade. And tariffs are a very important part of our fair trade remedies toolbox.

Having said that, I think that with respect to the 232 tariffs on steel and aluminum that you mentioned, we have to acknowledge that we have overall a very significant global marketplace problem in the steel and aluminum markets that is driven primarily by China's over-capacity that it has built in production of these materials. But it is not just a China problem.

And what we are going to need in a worker-centered trade policy is an effective solution that looks at the whole slew of policy tools to address that larger problem.

The CHAIRMAN. Thank you. I am over my time.

Senator CRAPO?

Senator CRAPO. Thank you, Mr. Chairman. And again welcome, Ms. Tai.

I want to follow up a little bit on some of the USMCA types of questions that Chairman Wyden already started addressing with you. With regard to its commitments under the USMCA, Mexico is taking a number of steps in the wrong direction.

In agriculture, Mexico is maintaining or enacting new restrictions on the U.S. that lack any scientific justification, including on potatoes—as I have already mentioned—biotech crops, and others.

In the energy industry, Mexico appears to be discriminating against U.S. businesses to favor its state-owned oil and gas giant Pemex. If confirmed, how would you employ the tools available under the USMCA, including dispute settlement, to resolve such issues, if we do not see progress on them in the next few months?

Ms. TAI. Thank you very much, Ranking Member Crapo, for that question. I am aware of some of the ongoing concerns with Mexico's implementation of the USMCA in these areas, and in others. I think, to echo my earlier comments, we have a full set of tools, a lot of them new in the USMCA, for engaging with Mexico—and with Canada, for that matter—to address ongoing irritants and ongoing frictions.

Again, if confirmed, I look forward to engaging with the stakeholders, with the really expert staff at USTR, and with all of you to begin our engagement with the Mexican Government on how to resolve our problem.

Senator CRAPO. Well, thank you. I appreciate your focus on dispute resolution. The fixes and improvements that we have made in the USMCA, I believe were badly needed.

I just want to focus again once more on that, and this time with regard to Canada. An issue that is very important to us in the Pacific Northwest is softwood lumber. I am deeply concerned about the impact of subsidized and dumped Canadian lumber imports on American businesses and jobs—and this is an issue, as you know, which we have been dealing with for years and years, and one we have had tons of litigation on. We are engaged in litigation now.

Can you commit to me that, if confirmed, you will aggressively defend our trade remedy measures on Canadian lumber, including by allocating whatever resources are necessary to mount a successful defense in the litigation that is now underway?

Ms. TAI. Ranking Member Crapo, if confirmed, I commit to you to work closely with you and the Senators and members for whom the lumber industry is very important on, as you noted, our long-



standing issues in this area with Canada. And I hope to have that opportunity to do that.

Senator CRAPO. Thank you. I appreciate that.

America's innovative industries are second to none. From creative content to digital commerce to pharmaceutical research, America's innovators are what is getting us through the pandemic and what will get us out of it. We need to preserve our leadership in this field. And the April release of the USTR's Special 301 report is intended to assess whether U.S. trading partners provide effective intellectual property protection.

Do you agree that the focus of the Special 301 report should be to directly call out countries and practices that injure America's interests, rather than to simply abstractly address what IP measures benefit the interests of our trading partners?

Ms. TAI. Senator Crapo, your question about Special 301 is an excellent one. I think, sitting here before you today, my answer would be that I believe that Special 301 should be considered one of the tools in the IP enforcement and monitoring toolbox and that its use should be focused on effectiveness, and making it as effective as possible in promoting the interests and resolving problems for America's innovators.

Senator CRAPO. Well, thank you. And as my question implies, I am very concerned about getting a much stronger focus on IP protection in our U.S. trade negotiations and activities.

Do you personally support the notion that is being put out about appointing a Chief Innovation and Intellectual Property Negotiator at the USTR?

Ms. TAI. So, Senator Crapo, I know we talked about this before—

Senator CRAPO. Yes.

Ms. TAI. The position has been created in law. I believe it was in 2015. And the position has actually not been filled before. I know there are Senators who are in this very room right now who were critical in the creation of that position.

What I commit to you today is to be in consultation with all of you on what you intended for that position, and to address how we can accomplish the goals that we share.

Senator CRAPO. Well, thank you. My time has run out. I was going to also ask a question on digital services, but Senator Wyden covered that. I just want to indicate to you that I strongly support the concerns that Senator Wyden raised with you as well.

The CHAIRMAN. We will work together on that.

Senator Stabenow?

Senator STABENOW. Thank you, Mr. Chairman and Ranking Member. And Ms. Tai, congratulations. I am extremely pleased to see President Biden put forward your name for this very, very important position. I appreciated the opportunity to talk with you as well about specific issues for Michigan.

We make things and grow things in Michigan, and we need markets. But we also need a level playing field. And real work on trade enforcement, and creating that level playing field, is very important. I am always telling folks in Michigan: we want to export our products, not our jobs. And so I think that is really our goal.

The pandemic has wreaked havoc on families and the economy in so many different ways. I want to touch on a specific one today that is really right in front of us in Michigan and across the country, and that is the vulnerability of our global supply chains.

Right now, for example, our manufacturers of automobiles, home appliances, other products, are being forced to shut down a line or a plant temporarily because of a single company in Taiwan which has reduced its shipments of semiconductor chips to our manufacturers.

It is only a slight change, but we have seen profound losses, billions of dollars in losses in key U.S. manufacturers because of that decision. So I have raised this with multiple people within the Biden administration. I have met with the Ambassador for Taiwan. I appreciate her attention to this. I know people are focused on this now, and I very much appreciate and commend President Biden's executive order to conduct a thorough supply chain review. This is incredibly important. In fact, we need these chips being made in the United States. And that certainly is something that we all need to be working on.

If confirmed, how do you view the role of the USTR in addressing these really important supply chain issues?

Ms. TAI. Senator Stabenow, if confirmed, I will really look forward to being at USTR to bring USTR's talents and insights to bear on the interagency process, and the coordination and collaboration within the Biden-Harris administration to review and craft a strategy on supply chains and supply chain resilience.

Senator STABENOW. Thank you.

Let me turn now to workers in this process. As you know, the Trade Adjustment Assistance for Workers program expires June 30th of this year. And it is really important that this be reauthorized. I know the chairman agrees as well.

I plan to reintroduce my TAA bill that permanently extends the TAA for Workers program. It expands eligibility. It ensures petitions are certified quickly. It provides States with more outreach tools, and expands training opportunities.

So, do you support the reauthorization of the Trade Adjustment Assistance program? Do you support the kinds of reforms that I just mentioned? And I wonder about any other thoughts that you have on having a better TAA process for workers.

Ms. TAI. Senator Stabenow, I know how important the TAA program is for members of this committee, and certainly members of the Ways and Means Committee, and to the workers of America. I think that your question is a really timely one, given the disruptions that are happening in our economy today because of the pandemic, and with respect to disruptions in trade flows.

Let me begin by acknowledging that the TAA program is run by and administered by the Department of Labor. But clearly the strong trade component of the program means that, if confirmed as USTR, I will want to be part of that conversation, and I will want to be part of that conversation with you and with the others in Congress to figure out how we can make our policies work better for our workers. In my mind, the TAA program falls squarely into that category.

Senator STABENOW. It is a very important part of the process, the agreement that we made, moving forward in terms of focusing on our workers, and that the workers are not left behind in this process. So I really appreciate that.

One final question, on USMCA. I so appreciate all your incredible work and leadership in this area in terms of enforcement. I am glad to see that, as of last December, Canada is now working to uphold its dairy market access commitments since that first enforcement action was brought, which I thought was—but my question is: the previous USTR verbally agreed in a hearing last year to create a forum for vehicle suppliers and manufacturers to discuss USMCA implementation. If confirmed, will you support creating a similar kind of consultation?

Ms. TAI. Senator Stabenow, if confirmed, you have my commitment to consultation and good process, which I firmly believe leads to good outcomes. So with respect to this particular forum, I do not know much about it yet, but I look forward to studying up on it, and I look forward to coming back to you with thoughts on it.

Senator STABENOW. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague.

Senator Grassley is next, and then Senator Cantwell.

Senator GRASSLEY. Thank you, Mr. Chairman.

Congratulations, Ms. Tai. I appreciated my telephone conversation with you.

Last year, the United States took the first-ever U.S.-Mexico-Canada Agreement enforcement action on Canada's dairy tariff rate quotas. The announcement showed that our government is going to be working really hard so that our dairy farmers and processors realize additional market access, because that was a big thing in the agreement. So we want it carried out.

Last year, Canada undermined the agreement by setting aside a percentage of the quota for processors, for so-called further processors, limiting U.S. dairy access. Are you going to pursue the same enforcement action?

Ms. TAI. Senator Grassley, I am aware of the concerns about Canada's dairy policies, in particular the ones on which they made very clear promises as part of completing USMCA. I also want to acknowledge that U.S.-Canada dairy tensions also feel like some of those U.S.-Canada issues that date back to the beginning of time.

I know that Ambassador Lighthizer initiated consultations under the dispute settlement mechanism of the USMCA with Canada on this issue. If confirmed, I look forward to digging into this file also. I know how important it is to Senators like yourself in your support for the new agreement, and I look forward to exploring all of the options in the agreement, all the tools we have to resolve the problem.

I know that, in this area, stakeholder consultation is going to be very, very important for us. And I look forward to the opportunity to engage.

Senator GRASSLEY. Yes.

Our country and the UK have been negotiating since May of 2020. Now that the UK has left the EU, we can bring our economic relationship to a level befitting our longstanding political special relationship. Will you continue that negotiation?

Ms. TAI. Senator Grassley, I too have followed the U.S.-UK sessions very closely from my perch on the Ways and Means Committee. I think what I would say to you today is that I just observe that the initial notifications that Ambassador Lighthizer sent to this committee, and to the Ways and Means Committee, date back to, I believe October 2018. So that is almost 2½ years ago.

If confirmed, it will be important to me to review the progress in the conversations so far, and to review the objectives in light of all the changes that have taken place in the last 2½ years. As you have indicated, the UK has negotiated two agreements with the EU in the meantime, one to leave the EU, one on its future relationship with the EU.

We have all been going through a pandemic reality for the last year, and we are all still in the midst of it, working to get out of it. I would want to have the opportunity, if confirmed, to review the discussions and negotiations that have taken place so far, in light of all of these developments in the most recent years and months.

Senator GRASSLEY. I want to bring up ethanol and the country of Brazil. They have a 20-percent tariff on our ethanol going down there, and we let their ethanol come to the United States free of that. And so, Ambassador Lighthizer late last year tried to negotiate some and was not successful.

Are you thinking about continuing those negotiations?

Ms. TAI. Senator Grassley, I know that you are a leading voice on the issue of ethanol trade. I commit to you that, if confirmed, I would—it would be my honor to come back to you to talk through this particular issue and trade irritant.

Senator GRASSLEY. Okay. But you do not know whether you are inclined to continue those negotiations and try to force Brazil to be fair to us right now? I am not saying down the road you will not change it, but you are not prepared to say that now? Is that right?

Ms. TAI. Senator Grassley, I feel like, at the moment, I lack the preparation and the background to engage with you smartly on this issue.

Senator GRASSLEY. Okay.

This will be my last question. Our Department of Agriculture projected China would purchase \$31 billion of U.S. farm exports this year. That is a little bit short of the \$38 billion they were supposed to do, but that is still pretty positive news considering the virus. But the Phase One deal was not only about purchases. It was also intended to result in structural changes to China.

Do you intend to push China on those structural changes?

Ms. TAI. Senator Grassley, I am glad you asked this question. So the agreement that we have with China is the agreement that we have, and there are promises that China made that China needs to deliver on.

With respect to structural changes within China, I think that we would all be delighted to have those structural changes in China, to have our economies be more compatible. I think it is absolutely worth exploring with China, but I also want to note that those are conversations, and those are roads that have been well-worn by U.S. Trade Representatives before me.

And so on this issue of the U.S.-China trade relationship, I would like to say that we need to be exploring all of our options.

The CHAIRMAN. I thank my colleague.

We have so many members here. Senator Cantwell very graciously said that Senator Carper could go next, as he has a meeting that is time-sensitive.

Senator CARPER. Thank you, Mr. Chairman. And my thanks to Senator Cantwell.

Welcome.

She is not here today, but I want to shout out to Lucy Xiao, who is now my new legislative director, succeeding Jan Beukelman, who is over your right shoulder. Lucy came to me right after the election, and she said, "Katherine Tai would be terrific." I called Ritchie Neal, and he said, "She would be terrific; don't steal her." And the administration stole her. But you have a good guy sitting over your right shoulder there in Jan Beukelman.

You also have sitting behind you your mom and your husband. I just want to say to your mom, thanks for raising this gal and your willingness to share her with all of us; and to your husband, thank you so much for your willingness to share your wife.

We have been blessed with two terrific Trade Reps in the last 8, 12 years: Michael Froman and, more recently, Robert Lighthizer, and so you follow some really good, exceptional people.

One thing those two guys did not agree on was TPP. They sharply disagreed. Take 30 seconds to just give us some idea: is it a fool's errand to ever think we could sort of rejoin it and get back into a deal like that which has 40 percent of the world's economy, 12 nations, and we are one of them? We are on the inside; China is on the outside. The last administration pulled out of this agreement, I think very foolishly.

Any chance we could get back into that? Just take 30 seconds.

Ms. TAI. Senator Carper, are you really only going to give me 30 seconds? [Laughter.]

Senator CARPER. Please.

Ms. TAI. Look, I—

Senator CARPER. And you can answer longer for the record. Just very briefly.

Ms. TAI. All right. Let me try to be as brief as I can on this, because I think it is an important question, and I know it is a question that a lot of people, a lot of Senators and House members, are asking themselves.

I think that the formula for TPP, which is for the United States to engage robustly with countries and economies with which it has a lot of shared interests, economic interests and also strategic interests—in particular with respect to those interests in Asia and with respect to the challenges coming from China—that is a solid equation, if you will.

But I also want to acknowledge that, sitting before you here today in 2021, that the world is very different in important ways from the way the world was in 2015 and 2016. And so, if confirmed, what I would like to do is to work with the administration, work with you and your colleagues in the Senate and in the House—

Senator CARPER. I am going to stop you right there. It is a deal. Thank you. Let me turn the page.

I have the privilege of serving as chair of the Committee on the Environment and Public Works. And we have a particular interests, as you may recall, in environmental trade policy. As the lead congressional negotiator for the new NAFTA, you and your team were instrumental in securing the strongest-ever environmental standards in free trade. Thank you for that. Kudos.

Of course the new NAFTA is not perfect, and it does not include everything that I and many of my colleagues would have liked to see with regard to environmental protection. At the same time, though, some of the improvements I am most excited about are the new environmental monitoring and enforcement tools and resources, some of which my office worked with you to develop and include in the new NAFTA implementing legislation.

Should you be confirmed, what steps would you take to ensure that the U.S. Trade Rep is making full use of these tools, so that those who break the rules are actually held accountable? Just a brief comment.

Ms. TAI. Senator Carper, to maximally use the tools that have been built into the USMCA will require USTR to work closely with partner agencies, whether it is the EPA, the Department of Commerce, NOAA, USDA, and others, CBP, on an enforcement strategy.

I believe that the agency institutions required have started to be built up, and if confirmed, I would be keen to continue to make sure that those tools and those entities are made as useful as possible.

Senator CARPER. Thank you. Thank you, Ms. Tai.

I am going to take a minute and link trade policy and the environment—and climate change, if I could. While labor standards have been a traditional area of focus for our trade policies, robust environmental standards, as you know, have been a more recent area of focus. It is a great area of focus for this administration.

I have long been interested in ensuring parity between environmental standards and our trade policies. After all, safeguarding our environment and addressing climate change require a global response. That is why I support policies such as adding environmental standards to the Generalized System of Preferences program.

Can you discuss with us briefly how you would approach reviewing other aspects of trade policies that would benefit from being more closely linked to the environment and climate change going forward?

Ms. TAI. Senator Carper, I will try to keep my response short. Which is, I believe that trade policy has a lot to contribute to the climate effort—trade policies and working with other countries. Sometimes it is cooperative. Sometimes it is more contentious. But climate is a collective challenge that is going to require a collective solution. And trade policy, I believe, will be able to contribute to that.

I also want to note that the rest of the world is coming up with its own climate solutions, and that means that, as other countries and economies begin to regulate in this area, climate and trade policies become a part of our competitive policy landscape. And that is another area where I believe that trade can contribute.

Senator CARPER. Good. Thanks for the time. I would just say in closing, we have a great opportunity to lead on climate change, a great opportunity. Thank you.

The CHAIRMAN. Next will be Senator Cornyn, Senator Cantwell, and Senator Menendez.

Senator Cornyn?

Senator CORNYN. Ms. Tai, congratulations on your nomination. Let me just start where Senator Carper left off—the point he raised about the TPP.

The one thing we have that China does not have is friends and allies. And I think we improve our negotiating position on economic and national security matters by allying with our friends. So I would certainly encourage you and the administration to look at re-entering that. I thought that was a good idea by the Obama administration. I regret that the Trump administration decided only bilateral trade agreements made sense and not multilateral agreements, especially under these unique circumstances.

And I would also suggest that we look at India as a potential addition to the TPP. We have grown much closer to India, of course the world's largest democracy, one that believes in the rule of law as we do, and a great counterweight as well.

We have entered into what is known as “the quad” when it comes to national security cooperation with India, and I think it would be appropriate to include India in those discussions as well. I guess that is not so much a question as it is a statement.

Let me also echo some of the concerns raised by Senator Stabenow when it comes to semiconductors, as we had a great visit with the President yesterday on supply chain vulnerability, and there is probably no greater current example of that vulnerability than that the automobile manufacturing industry in this country does not have the semiconductors necessary to be able to build the cars that it could sell if they could just get the semiconductors to build them with.

If COVID-19 has shown us anything, it has shown us our vulnerabilities to supply chains. And that is true whether it was PPE, as you will recall, when the virus hit, made mainly by China, or semiconductors. Of course as you know, basically anything with an off-and-on switch relies on semiconductors.

And the high-end semiconductors manufactured in Taiwan are the sole source of some of the most sophisticated technology in the world, including everything from the F-35 down to cell phones.

So what role does the U.S. Trade Representative play in bolstering our vulnerable supply chains? I realize you may not be the end-all/be-all, but does the USTR play any role in that? And what would you suggest?

Ms. TAI. Senator Cornyn, I know what a leader you are on the issue of semiconductor supply chains, and I know that a lot of the most innovative thinking on this in the Congress is coming from members of this committee, bipartisan.

I think what I would like to share in terms of thinking about the potential role of USTR and, if confirmed, my role in working through supply chain strategy, is that I think that U.S. trade policy, global trade policy, a lot of the assumptions that we have based

our trade programs on, has maximized efficiency without regard to the requirement for resilience.

And so I think that trade policy—setting aside the focus on consultations and collaboration in this issue area—trade policy itself needs to be rethought and reformed with resilience and strategy in mind.

Senator CORNYN. I appreciate your comments. I think Congress also needs to reform our practices when it comes to strategic investments, due to the ossified nature of our appropriations process, setting spending caps and then allocating to various subcommittees in the Appropriations Committee. There is really no flexibility outside of emergency appropriations, or perhaps maybe tax policy like the tax credit that Senator Warner and I proposed as part of our CHIPS for America Act.

I think we have to look at all the tools that are available to us in this competition with China, as President Biden and all of us have recognized. This is a threat to our dominance economically as well as to our national security. And I think we would be negligent in the performance of our responsibilities and the trust we hold for the American people if we did not rise to the challenge of dealing with that.

So we look forward to working with you and the administration, as well as all of my colleagues, in trying to fill that gap. Thank you.

The CHAIRMAN. Just very quickly. On this point of the semiconductor issue, Senator Crapo and I consider this a top bipartisan priority for this committee. We have, in our part of the world, some of the arguably purest technology companies in this field anywhere. So we are looking forward to working with our colleagues on both sides of the aisle on what is hugely important to the American economy.

Senator Cantwell?

Senator CANTWELL. Thank you, Mr. Chairman. And I just want to say again to Betty Tai, congratulations on your daughter's nomination. We so appreciate you being here today, and you have raised a very smart and talented daughter, and she is going to be very busy. At least I hope she is going to be very busy.

I would like to follow on kind of the point that Senator Cornyn was making, which is, I am done with the Trump administration's approach to trade. I feel like, when I look at the analytics there—Moody Analytics estimated that the trade war with China cost us nearly 300,000 American jobs. U.S. companies lost \$1.7 trillion in the price of their stocks as a result. JP Morgan estimates the trade war cost American households between \$600 and \$1,000 per year.

So I am hoping that you and the Biden administration are going to embrace a new trade regime. And while I mentioned to you I am all for enforcement, I am all for capacity building. I have spent many, many hours of my time getting those into aspects of the USMCA and other agreements.

We cannot just be about those aspects. We have to be for opening up new markets. And I hope that you will take that back to the Biden team and answer some questions today about what we can do to open up those markets.



So particularly, my colleague just mentioned India. What can we do to open up the Indian market to U.S. apples and reduce the horrific tariffs that are on those apples, particularly with the Trump administration terminating the GSP program? And so it is basically, when would the Biden administration restore India's GSP status and help us with apple exports?

Ms. TAI. Senator Cantwell, it is great to see you today. I really enjoyed our conversation earlier and my take-away from it: your interest in apples and aircraft, and for the U.S. to be at the top rung of the ladder, which in my interpretation means your interest in the U.S. leading on trade around the world.

On your question on GSP and India, let me just say that, if confirmed, this is very high on my radar, coming from the Hill as I will be, to USTR. And I do not have a good answer for you right now, for lack of having good briefing, just by virtue of being on the outside, but it is something that I look forward to engaging with you on robustly.

Senator CANTWELL. When China joined the WTO in 2001, it agreed to a tariff rate on wheat. So it committed to imports of up to 9.64 million metric tons of wheat. And as a result—they definitely have not made that, and there are other markets in Southeast Asia, like Vietnam and Indonesia, that also offer great potential.

So what will the Biden administration do to help us increase wheat exports in Asia overall?

Ms. TAI. So I know that wheat is of particular interest for Washington State as well. And part of the agricultural trade agenda for the Biden administration will be to help American agriculture and American farmers build back better as well. And trade will be a tool in that, I am quite confident.

I did want to take an opportunity to address something that you had said earlier about concerns that the Biden administration will stand still on trade. And I just want to take this opportunity to share with you that, to the extent that I have been privy to conversations or have been made aware of the Biden administration's outlook, I do not expect, if confirmed, to be put on the back burner at all.

Senator CANTWELL. Great. Well, I will tell your mom right now, I will be right behind you pushing you. Okay? Because I come from a trading State, and I believe that we live in a global economy; I want to talk to you about digital trade. But the notion that the last 4 years is a way to approach this, it is not.

I believe trade changes culture. So I am with Senator Cornyn: we should be engaging. As I said to you—I am glad you remember—we should be on the top rung of the ladder discussing what a trade regime looks like when 95 percent of consumers live outside of the United States.

Can I just ask you one last thing about the European issue on Airbus? Will you prioritize reaching agreement on commercial aircraft subsidies to end European subsidies and tariffs?

Ms. TAI. Senator Cantwell, this dispute has been going on since, I believe, 2005–2006. It is arguably one of the disputes that started to break the WTO dispute settlement system. I think that between the U.S. and the EU, if confirmed, I would very much be interested

in figuring out, pardon the pun, how to land this particular plane, because it has been going on for a very long time.

Senator CANTWELL. Well, I think leaning in to the regimes that we do have, and making them work, seems like a really positive thing to be doing, to me. And then again, going back and opening up markets for U.S. products—I think this is what you will hear from all my colleagues today, because we do believe, as my colleague from Michigan said, that we do make and grow things, and we would like them to reach new opportunities.

Thank you.

The CHAIRMAN. Thank you, Senator Cantwell.

Senator MENENDEZ?

Senator MENENDEZ. Thank you.

Ms. Tai, congratulations on your nomination. After the last 4 years, it is clear that we need more transparency in our trade policy-making, and USTR is one of the few Cabinet agencies that does not have an Inspector General.

As we have seen across the executive branch, Inspectors General help agencies do their jobs better by promoting greater transparency, accountability, effectiveness, all of which leads to better results.

Last year, I led all the Finance Committee Democrats in introducing legislation to establish an Inspector General for USTR so we can use this proven, effective tool to help us make better trade policy in the years ahead.

Are you supportive of having an Inspector General at USTR?

Ms. TAI. Senator Menendez, thank you for this question. I know the leadership role you have had on this particular issue. I think what I would say is, understanding that Inspectors General answer to the mandate of overseeing and ensuring that there is no waste, fraud, or abuse going on in the executive branch, I am very supportive of accountability and transparency, in particular with respect to Congress.

I know that there is no Inspector General apparatus set up for the Executive Office of the President agencies. I am not aware of the specific legalities around that, but with respect to your desire for more transparency and accountability, I am very supportive of that.

Senator MENENDEZ. I appreciate that. I recognize that USTR's placement in the Executive Office of the President poses some unique challenges, but they are not novel or insurmountable. So I look forward to working with you to address those issues.

Let me turn to China as well. You have heard this. We all believe, collectively on a bipartisan basis, it is one of our biggest challenges. The last Congress, I led the introduction of the America LEADS Act. It is a cross-jurisdictional piece of legislation to not only confront China, but to compete with China at the end of the day.

Do you believe that domestic investments are part of our response to the challenge of competing with China?

Ms. TAI. Absolutely, Senator.

Senator MENENDEZ. And particularly, at USTR there is a special investigations unit that would be responsible for trade agreement violations and section 301 investigations. One of the things that

you can do is to get U.S. companies that refuse to share information with the U.S. Government about China's predatory practices out of fear that the Chinese authority will discriminate against the firm—but knowing about those predatory practices is important to us as we deal with China.

Is that something that you believe that you would pursue, that is of value to us?

Ms. TAI. So, Senator, just to be clear, is your question whether or not I would be interested in pursuing deploying this particular group at USTR in working with stakeholders who may be shy about sharing the problems they are running into in China?

Senator MENENDEZ. Yes.

Ms. TAI. Yes.

Senator MENENDEZ. Okay.

One of the most important things, including in the competition with China, is that innovation and R&D have to be a central part of our response. As you may know, New Jersey is a center of innovation, from telecom to medical products to pharmaceuticals. So it is critical for manufacturers in my State that USTR advance and defend strong intellectual property rules in our trade agreements in a global forum like the World Trade Organization.

In confirmed, would you work to protect American innovators and the millions of American workers in IP-intensive industries?

Ms. TAI. Senator Menendez, I know New Jersey's place in America's innovation economy, and I know that one of the things that distinguishes our economy is the innovation that goes on here.

I think that is in large part due to the balance that is achieved by the Congress in terms of our intellectual property protection and rights laws. And yes, I believe it is important for our trade policies to reflect that balance as well between the rights of innovators and the rights of those seeking access to the fruits of their innovations.

Senator MENENDEZ. Finally, let me turn to Europe. USTR, following on Senator Cantwell's comments, imposed 25-percent tariffs on EU food products such as cheese, wine, and olive oil, after winning a case against the EU. But those tariffs have been devastating to food importers and restaurants in New Jersey struggling, particularly due to the pandemic. They can ill-afford to have increased costs at a time like this. And a year and a half into these retaliatory tariffs, I do not think anyone can say that the strategy of targeting food and beverage products on an aircraft dispute is working to bring a resolution to this dispute.

Would you make it a priority to review the Airbus tariffs and listen to our food importers, our restaurants, so that the businesses that have nothing to do with the underlying dispute can get some relief?

Ms. TAI. Senator Menendez, I know the disruption and the pain that these particular tariffs are imposing on the affected stakeholders. I also want to acknowledge that this is part and parcel of the longstanding aircraft dispute between the U.S. and EU. And in some ways, this is the way the WTO system is supposed to work. You inflict pain on each other's stakeholders to try to motivate each other to come to a resolution.

So I think my answer to you will essentially be a version of my answer to Senator Cantwell, which is: I think at the core of this—

whether it is the tariff piece or the overall dispute—is the need for the U.S. and EU to come together to figure out an answer.

Senator MENENDEZ. I would like to find ways to create challenges for them but not for us in doing so. Cheese does not fly.

The CHAIRMAN. I thank my colleague. We are going to just keep going.

Senator Portman, and then Senator Thune.

Senator PORTMAN. Thank you, Mr. Chairman.

Ms. Tai, as you know from our meeting last month, I am delighted that you have been nominated. I would like to start by thanking Dr. Tai, though, behind you, for her work on finding alternative ways to treat opioid addiction, an incredibly important issue.

On trade, as you know from your time at USTR, it is a very special place. It is full of career experts on trade. Almost all of them could make a lot more money in the private sector. They are committed and passionate, and I know you are going to thrive there. Largely because of commitments that I made when I was before the Senate Finance Committee 16 years ago, I conducted what was called the top-to-bottom review of China. We issued an extensive report. We also established a prosecutor. I said, “We need a prosecutor just for China,” so it became sort of the Chief Counsel, and you later had that job.

Let me ask you if you would make a commitment today to update that top-to-bottom review. Everybody on this panel has talked about China. I mean, I think it is clearly the most important single trade issue we face. Would you commit today to updating that and providing it to the committee?

Ms. TAI. Senator Portman, I think that the Biden administration itself is committed to a holistic review on China, and U.S.-China strategy. If confirmed at USTR, I think that is an excellent idea, and yes, absolutely I would want to make sure that that review happened at USTR as well.

Senator PORTMAN. I am sorry to surprise you with that, but I was just thinking about it as we heard all the questions, and I think it is timely. A lot has changed in 16 years, mostly changed in the way that China has become even more competitive, using more subsidies, and under the current regime has decided that state-owned enterprises and heavy subsidies are going to be the norm rather than the exception.

And this goes to semiconductors. There has been a lot of discussion about the semiconductors. I appreciate what the chairman said, the ranking member, Senator Stabenow, Senator Cornyn, and others. I mean, this is an urgent issue. We are looking at serious impacts on our economy because of the supply chain issues.

Here is what China is doing on semiconductors. They are heavily subsidizing it. One study found that major Chinese semiconductor firms have received subsidies equal to 20 to 40 percent of the revenues—subsidies of up to 40 percent of the revenues.

We cannot compete with that. And so, Phase One with China was a good start. And Bob Lighthizer has not gotten love in the room today. He did a lot of hard work on that, and I appreciate that.

But we need to take it to the next level, because it is really more than just non-market. I think it is a techno-nationalist approach to trade that we have to stand up to.

How would you propose we do a better job of addressing those unfair industrial subsidies and their proliferation, particularly by state-owned enterprises?

Ms. TAI. Senator Portman, I think this is part and parcel of some of the most important questions that are facing us today, and not just on trade but across the board, which is how we compete more effectively with China.

China has done an incredible job of articulating its ambitions in its 5-year plans, and accomplishing a lot of the goals that it has set for itself. You mentioned semiconductors, and I want to acknowledge that that is an area where there is a lot of focus right now, which is really great, about how we more strategically shape our supply chains.

I would just say that the Chinese are not shy about articulating their ambitions. And semiconductors are just a part of what we have to compete with. We cannot compete by doing the things China does, so we have to figure out how we compete, marshaling all the tools and resources that we have in the U.S. Government.

Senator PORTMAN. That is the idea of the CHIPS Act we talked about earlier. I was at the White House yesterday in a good meeting on that.

Let's switch to WTO for a second. The World Trade Organization was established to have rules that were beneficial to countries like ours that are willing to play by the rules on a level playing field. And it is important that we have those rules for our exporters.

But the current system seems broken to me. The WTO's negotiation role has faded. Instead, we have activism by the Appellate Body that has constrained our ability, frankly, to respond to China's non-market activities, as well as other countries'.

This is a critique that is longstanding. It is bipartisan. Senator Cardin, who was here earlier and I think is coming back, and I introduced legislation on WTO reforms. I know you have seen those. Again, USTR Lighthizer made some progress on this, but we have to continue this work.

My question for you, I guess, would be—you have said you want a positive agenda for WTO reform. Specifically, what do you propose we do to restore the WTO to being more for negotiation rather than litigation?

Ms. TAI. Senator Portman, it is a special honor to be speaking to you as a Senator on this committee, but also a former USTR. And as such, you I know have special insights into the U.S. relationship and the U.S. role at the WTO.

I just want to say, the United States was a founding member of the WTO and of the GATT before that. It has always been a leader in Geneva. We cannot afford not to continue to be engaged and a leader in Geneva at the WTO.

The WTO does need reform. And I believe that the focus should be—with the WTO now in its 26th year of existence, we need to be having hard conversations in Geneva in a constructive way, to be asking what is the value of the WTO to its members? Is it accomplishing the goals that its founders and members expect of it?

And also, in today's world in 2021, how does the WTO rise to the challenges of today's world, whether the challenges that are facing all of us, or the challenges that exist between the WTO's countries?

Senator PORTMAN. Thank you.

The CHAIRMAN. Thank you.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

Ms. Tai, cattle producers in South Dakota and across our Nation work hard to produce high-quality beef. Americans recognize this, and by and large they want to know where their food is coming from, which is why I am a long-time supporter of country-of-origin labeling.

And while the World Trade Organization, which you were just discussing, made a ruling in 2015 on COOL for beef, pork, and other meat products, this remains an important issue to many producers in my home State. In fact, the South Dakota legislature just passed a resolution calling on the Biden administration to remove barriers to mandatory country-of-origin labeling when negotiating trade deals.

So I am going to ask you the same question that I asked the nominee for Ag Secretary, Tom Vilsack, and that is, what are your thoughts on the WTO's COOL ruling and its impact on U.S. producers, particularly its impact on beef producers? And then as a follow-up, if confirmed, would you be willing to work with me on finding a path forward, preferably in a WTO-compliant manner, on country-of-origin labeling to help address the concerns of, not only South Dakotans, but livestock producers all across the country?

Ms. TAI. Senator Thune, I cannot remember if I mentioned this in my earlier conversation, but the first case that I was handed when I walked in the door at USTR in 2007 was to take on the longstanding case between the U.S. and the EU on the EU import ban on U.S. beef. So I feel like I learned a lot about the U.S. industry back then, and I myself obviously was raised on American beef and am a very happy consumer of it.

On the WTO COOL ruling, that has not been a popular ruling back here at home with Senators like yourself and stakeholders themselves—and also on the other side of the aisle in terms of those who really supported COOL as a consumer right, and for the policy space for Congress to act.

As you noted, this is an area where USTR and USDA have a lot of good work to do together. If confirmed, I look forward to working with Secretary Vilsack on this. And I do commit to you to coming back to you to talk about the continued interest of yours and the industry in having country-of-origin labeling that will survive WTO challenge.

Senator THUNE. I would say, we have labels on so many things that come into this country—the things that we wear. It is ironic to me that we cannot have labels on the things we put in our mouths. And the American people, I think, deserve to know where their beef is coming from.

Our farmers and ranchers depend on open markets and reliable trading relationships around the world for expanding market access and ensuring our producers remain competitive as a key to

stabilizing the U.S. ag economy and powering our national economy forward.

If confirmed as our Nation's lead trade negotiator, what specific steps will you take to expand U.S. ag products in new markets such as Southeast Asia and Africa? And I would ask, if you could, just comment too in talking about that on Phase One with China. Our exports to China significantly increased since November, which is welcome news to American agriculture, but they are still quite a ways short of their Phase One commitments. What would USTR intend to do with respect to making sure that they comply with the Phase One targets?

And then also—there is a lot in there—but expanding market access is critical. And so equally important is the proper enforcement of the ones, the trade agreements we already have, which if confirmed, the question I would have is, what steps would you take to ensure that our trading partners are playing by the rules agreed to in existing agreements, and in particular USMCA?

Ms. TAI. Senator Thune, there are a lot of questions in there. There is a lot for me to respond to, but if I focus on the main themes, I think that I would like to thank you for this opportunity to clarify, when I talk about being confirmed and advancing a worker-centered trade policy, that “workers” does absolutely include agricultural workers—our farmers, our small family farmers in particular, real people who make up the American economy.

So I want to make that clear. And in terms of a trade policy that works for our workers, a trade policy that works for agricultural workers is very much a part of that focus as well.

On the enforcement side on USMCA, I talked earlier in my opening statement about caring and nurturing the agreements that we have to make sure that they deliver on the promises that have been made. That also goes for the other trade agreements, obviously, that we have under our belts. And so I just want to make clear that that is a priority for me.

Senator THUNE. Phase One China?

Ms. TAI. Phase One China as well. A different kind of agreement, but it is an agreement.

Senator THUNE. Okay.

Mr. Chairman, I see my time has expired. I have perhaps a question on network security, but I will defer that, or perhaps submit it for the record, but, Ms. Tai, thank you, and we look forward to working with you.

The CHAIRMAN. I thank my colleague for his courtesy. It is going to be a hectic morning. We have now four Senators on the web who are going to be asking questions: Senator Cardin, Senator Cassidy, Senator Brown, and Senator Lankford.

Senator Cardin, are you out there in cyberspace?

Senator CARDIN. I am with you, Mr. Chairman. Thank you very much.

The CHAIRMAN. Very good. Very good.

Senator CARDIN. Ms. Tai, thank you very much for your willingness to continue in public life. We very much appreciate that.

I want to first ask you about a provision that I led an effort in 2015 to include as a principal negotiating objective: good governance and anti-corruption. And I know that the Biden administra-

tion has been very strong in its commitment to deal with corruption and recognizes it as a national security issue, and all countries can do better.

So can you share with me how you intend to promote good governance, rule of law, anti-corruption, in any trade negotiations or agreements that take place under your watch, if you are confirmed and when you are confirmed?

Ms. TAI. Senator Cardin, it is an excellent question. Good governance, rule of law, anti-corruption are fundamental values that we as Americans want to hold ourselves to, and that we will want to hold our trading partners to.

So I believe your question is, if confirmed, how will that be incorporated in trade policies under my leadership at USTR?

And I would just commit to you that these types of questions are exactly the ones that I hope will animate the trade policy and trade agenda that the Biden administration undertakes.

Senator CARDIN. Well, thank you. I just want to compliment Ambassador Lighthizer. He worked very closely with our committee. He worked very closely with our office in regards to the good governance provision. So I would just request that we have a close working relationship as you negotiate agreements as to making sure that we increase the standards on good governance. It is something that I think is very important to our country.

Let me go to the USMCA, which includes a stand-alone chapter on small business that I was very appreciative to see in there. I chair the Small Business Committee in this Congress. Can you share with us how you intend to help small businesses in negotiations? They have a harder time, as you know, in dealing in international trade.

So what priority will you give these efforts so that we can include our smaller businesses in international trade opportunities?

Ms. TAI. Well, Senator Cardin, I completely agree with you in terms of the importance of small businesses to the American economy. Small businesses, mom and pop shops, these are our companies that have faces and names and operate like families.

I think a worker-centered trade policy and, more broadly, my interpretation of the Biden administration's foreign policy that works for the middle class, will really prioritize the interests of small businesses.

I know exactly what you mean in terms of how difficult it can be for smaller businesses, smaller-scale businesses, to access the levers of trade. And I know that there are some really good programs that are housed in different parts of the government.

I would commit to you that, if confirmed, I will make it a priority and I will take care to ensure that there is the coordination that is needed to make those programs work, and to build on those programs where we can.

Senator CARDIN. The voices of small businesses need to be heard as you are negotiating these agreements. And I know that the first question asked to you by Chairman Wyden was, would you agree to participate in our committees? I would ask that you work with us on the Small Business Committee as you do your trade agreements so that we can have input as to how we can expand opportunities for smaller companies.



I want to follow up on the point that Senator Portman made in regards to the WTO. The two of us will be introducing some legislation in that regard. You talked about the reform in WTO. I am a strong believer in our participation in the WTO, but we know that it needs to be reformed.

So as you are looking at ways in which to strengthen the role that WTO can play that can be in the best interests of the United States, I hope that you will share those thoughts with our committee, and that we can work together to strengthen the U.S. role in reforming the WTO.

Ms. TAI. Senator Cardin, the U.S. participation in the WTO is made possible by the work of this committee, the House Ways and Means Committee, and I know that the investment that members like yourself make in thinking through U.S. participation at institutions like the WTO is critical. So that is an easy commitment for me to make, to be very fully engaged with you, with Senator Portman, and others in the Congress who care about the WTO.

Senator CARDIN. Thank you. And again, thank you for your willingness to serve.

Thank you, Mr. Chairman.

The CHAIRMAN. And I also want to emphasize that the Senator is talking about something very important in which Ms. Tai was a very strong ally when it came to promoting the rule-of-law and the anti-corruption provisions in the USMCA, and we thank her for that.

Senator Cassidy?

[No response.]

The CHAIRMAN. Senator Cassidy, are you out there on the web?

[No response.]

The CHAIRMAN. All right; it appears that we should move on.

Senator Brown, are you there on the web?

[No response.]

The CHAIRMAN. Senator Lankford, are you on the web?

[No response.]

The CHAIRMAN. All right. I believe Senator Bennet may be with us in person. If that is the case, we will call on—pardon me?

[Off-microphone comment.]

The CHAIRMAN. Good. I believe we have Senator Bennet coming in person. And I hope that we will be able to deal with our audio challenges.

Senator Cassidy is—is Senator Cassidy ready, or would he like me to go to Senator Bennet? Why don't we just go to Senator Bennet, and then we will take Senator Cassidy?

Senator Bennet? And if you all can make sure that Senator Cassidy will be next, that would be great. Senator Bennet?

Senator BENNET. Thank you, Mr. Chairman. I am sorry; it is going to take me one moment.

Thanks, Ms. Tai. It is good to see you, and I am glad you are here. Thanks for bringing your mom.

Trade is really important to Colorado's agricultural economy, as you and I discussed when we had a conversation, which I really enjoyed, by the way. I learned a lot from it. There are producers in Colorado who contend with severe drought and labor challenges. I would like to think that our trade policy is one area that would not

be a headwind but might actually support them and bring some stability. That has not been the case over the last 4 years. Our farmers have lost markets. They have faced higher input costs. And their products were hit with retaliatory tariffs.

On top of that, the highly touted Phase One deal with China is failing to live up to expectations. And American farmers and ranchers produce top-notch agricultural goods, and I am hoping that, in the years ahead, they will once again be able to compete fairly on the global stage.

I would just like you to talk a little bit about how we can recover and grow markets for American agriculture, while also holding bad actors like China accountable? How are we going to begin to undo the damage and take advantage of our posture as it is right now after the last 4 years, and how will farmers and ranchers factor into your review of existing tariffs?

Ms. TAI. Senator Bennet—

Senator BENNET. I have one other question I want to get to, but—sorry.

Ms. TAI. Okay; I will try to make sure to keep my answer short. I just want to observe that I think that, with respect to our trade policies for the past several decades, we often fall into a pattern where one sector of our economy, and one segment of our workers, feels like their livelihood and their opportunities are sacrificed to another part of our economy. And in the past, it may have been our manufacturing workers who felt like they were sacrificed in the interests of our farmers, and the past couple of years perhaps our farmers felt like they were being sacrificed for the interests of our manufacturing workers.

I think one of our challenges going forward is to figure out how to craft our trade policies, and how to coordinate our trade policies with our other domestic and foreign policies, to break out of that pattern so that what we are doing in trade is coordinated with what we are doing in other areas, but also not forcing us to pit one segment of our workers and economy against another.

Senator BENNET. That is a very good answer. I had ups and downs with your predecessor in this job, but one of the downs was when I asked him a similar question about our farmers and ranchers, his answer was, “They have our sympathy.” What they do not need is “sympathy.” What they need is a coherent trade policy that is going to support their work.

Ms. Tai, President Trump had a go-it-alone approach—I think he was proud of it—launching trade wars around the world that alienated our allies and undermined effective global response to China.

At the same time, China was strategically investing in Mediterranean and African countries, expanding its reach in the South China Sea region, and implementing the “one belt, one road initiative.” And while China is an important market for agricultural products, as we have discussed, they have failed to live up to their agreement.

How will you work with partners and allies and the broader administration to hold China accountable for its mercantilist and predatory practices? I should say the Chinese Communist Party—not the Chinese people, but the Chinese Government. You mentioned earlier in an answer to one of my colleagues that there had

been a well-worn path trod by former trade ambassadors who were expecting China to somehow adopt our system—our economic system.

That is clearly not going to happen. So what tools are available to us, maybe even beyond the trade tools, to be able to push back and ensure that we continue to lead?

Ms. TAI. Senator Bennet, again I feel like this is one of the most consequential questions that we collectively, as servants in the U.S. Government, will need to figure out. You know, just in terms of how to answer your question, I guess there are a couple of ways that I would think about it.

One is rules that China has clearly signed up for and agreed to. Those may be agreements that it has struck with trading partners; they may be the WTO rules—so rules that they have taken on as a member of a larger organization.

And when we are in that area, we have designed for use enforcement tools to engage with the Chinese and hold them accountable: “You promised to do X; you need to deliver on X.”

There are also a lot of areas that are gray areas, where the rules are not clear, or where we do not have rules yet. And I think that in that area, in terms of working with others, we have a couple of options. One is that we create and we craft new rules to address the gray areas. Separately, I think that that provides us with a lot of opportunity as well to think strategically about how to respond to the strategy that China is pursuing.

Senator BENNET. Thank you, Ms. Tai. Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague. We are going to just keep going and try to stick with our queue. Senator Cassidy is next. Senator Brown may intervene, but then Senator Lankford, and we can get all three of you.

Senator Cassidy?

Senator CASSIDY. Ms. Tai, thank you very much. I enjoyed our phone conversation. I like the nuanced way in which you spoke of our relationship with China. And so I was listening elsewhere—you could not hear me, but I could hear you, but that is another story—and so, thank you for that perspective.

A couple of issues important to my State. You have already spoken to Senator Grassley regarding the UK trade agreement. Right now, they love our rice. We love to sell a lot of Louisiana rice in the UK. It turns out, they love it. The issue of course is, there is a 25-percent countervailing tariff that says it is caught up in other aspects of our trade war. So I just encourage that that be resolved ASAP so the folks back home who work in rice mills have fuller employment, if you will.

Also an issue back home is shrimp. India is sending a lot of shrimp here. They heavily subsidize, I am told, their shrimpers. And then the EU is refusing to accept them over phytosanitary concerns.

So we are getting subsidized shrimp refused elsewhere because of phytosanitary concerns, putting my folks out of business. And if they want to compete on price, that is fine, but make sure it is clean, it does not have antibiotics, et cetera, but also that it is not unfairly subsidized.

What tools do you think you have as USTR, in that role, to address that particular issue?

Ms. TAI. Senator Cassidy, thank you for the questions and for raising your interests and the interests of the State of Louisiana in rice and shrimp. In terms of the tools that are available, we have an existing toolbox, and some of the tools are within USTR's purview. I imagine that some of them are in Commerce's purview, and other agencies have a role to play as well.

So my first-level answer to you is, if confirmed, I would want to take every opportunity to work this issue, not just at USTR, but in partnership with the other agencies that have a stake and have a role to play.

More broadly, though, I think that we have our existing trade tools and trade enforcement tools. I think that there are a number of challenges that are facing the U.S. economy, U.S. workers and industries, where there may be opportunities for us to think about new tools to address the challenges that we face today.

So maybe it is a bit of a two-part answer in terms of the tools that we have, and then an interest in working on new tools that are more appropriate to the challenges that we have today.

Senator CASSIDY. I would love to work with you on those new tools, because it does seem as if we need creativity. The current process is so cumbersome that people exploit it for so long they get their way, if you will, and then they gradually kind of go through a third country. And then we end up with the same problem all over.

Next, another thing: counterfeit goods. There are stories on the Internet, the child getting the Christmas gift that has a battery and it explodes. It seems to be the name-brand product, which we expect to be safe, but in reality it is a knock-off, and that knock-off is unsafe.

So I am concerned about that, and I know that you have addressed that. What can USTR do to combat the rising tide of counterfeits?

Ms. TAI. Senator Cassidy, USTR has a number of existing tools with respect to—I think this falls into intellectual property protection. And we spoke about it a little bit earlier with Ranking Member Crapo, about the Special 301 report.

You know, again I think this is also an area where we look at the rules and the tools that you have in terms of the agreements and enforcement mechanisms that are available internationally, but also you look at what you have available domestically. And, you know, not to sound like a broken record, but as we have a lot of experience in this area, I am sure that there are people in the think tank world, here on the Hill, in the stakeholder world, and within the U.S. Government, who have ideas about how we can make our enforcement of these rights more effective.

Senator CASSIDY. Let me finish with this, because we spoke of this on the phone. Obviously, the U.S. has trade relationships, and in those treaties with Mexico, for example, Central America, we have certain labor standards and environmental standards that we expect them to adhere to and we enforce. China does not enforce those. And with that lack of enforcement, it turns out to be an ex-

pense, an avoided expense, to further subsidize somebody moving from Mexico, or Guatemala, moving their factory to China.

It strengthens the Chinese economy. But it weakens that of a key trade partner of the U.S. We have spoken about that, but if you do not mind, for this broader audience if you will, could you comment on that?

Ms. TAI. I would be happy to, Senator Cassidy.

I think that for a very long time our trade policies were based on the assumption that the more we traded with each other, and the more liberalized our trade, the more peace and prosperity there would be, that the rising tide would lift all boats.

I think that what we see is—in the parlance of some of the economists who have been thinking about this—that over time the trends we see are a race to the bottom, many times; that with increased economic activity and trade activity, we are not necessarily seeing that bring up standards with respect to workers and environmental protection; that there is an opportunity for competition with lower standards across the board.

I think this prompts us to really have this inform our rethink of our strategic trade policy and figure out how trade policy can be conducted in a way that it does truly lift up all boats; it does not just create a larger pie, but it—I do not know where I am going with this particular— [laughter]

Senator CASSIDY. I know where you are going with that. We protect the U.S. worker as we enforce those standards. Thank you.

The CHAIRMAN. We are going to have to move on. Senator Brown is on the web. And then it would be Lankford and Daines.

Senator Brown, are you available?

Senator BROWN. I am here. Thank you, Mr. Chairman. I am thrilled to be here, and congratulations, Ms. Tai, for you. I understand I got on late. I am sorry I did not hear your opening statement. I understood it brought tears to the eyes of some of my staff, and I am so glad your mother is there. Please tell her—I do not know if she can hear this now or how this technology works—but tell her she raised an incredible daughter.

And I would also add that you made a great hire in Nora Todd. Your gain is my office's loss, but thank you for helping her do even more public service than she has already done.

Congratulations. I enjoyed our meeting last—well, I guess it was 6 weeks or so ago. I enjoyed especially, and what makes me excited about your nomination, so many things, but especially your work on the Brown-Wyden rapid response mechanism in the USMCA. You are exceptionally qualified for this job, and I support you with great enthusiasm.

You gave a great speech to the National Foreign Trade Council Foundation. You talked about the humanity and the dignity of Americans. Your comments reminded me a lot of the “dignity of work” agenda that sort of informs what I do here, and I know informs much of what you have done.

Can you talk a little bit about what a “dignity of work” trade agenda means to you, Ms. Tai?

Ms. TAI. Absolutely. Thank you for this opportunity to address this particular issue, which I think really lies at the heart of where U.S. trade policy needs to go in this next phase.

I think that, for a very long time, regular people, ordinary Americans and workers, have felt disconnected from our trade policies; that they are policies that are concocted by people in places like Washington, Brussels, and Geneva, that at best have not a lot of relevance to their lives, or at worst undercut and undermine the livelihoods that they have been used to having.

And I think that, if confirmed, where I would very much like to focus my efforts and contribute to the Biden administration's efforts, is to center U.S. trade policy in terms of thinking through, how does it affect regular people, American workers across the different sectors? And how do we make trade policy feel like—in Chairman Wyden's words, how do we expand the circle of winners in trade policy?

Senator BROWN. Thank you. Thanks for that answer. I voted, as you may remember, for USMCA. It is the first trade agreement I have ever voted for. And I did because it included the Brown-Wyden rapid response mechanism that would allow us to enforce labor standards quickly at the factory level.

My question is a pretty simple one. Do you commit to using that provision to the maximum extent possible to defend the rights of workers in the United States and Mexico?

Ms. TAI. Yes, Senator Brown. And I would add that using that mechanism is also to reinforce the implementation of reforms that Mexico has made—so to reinforce Mexico's own reform efforts.

Senator BROWN. Good. Thank you.

Senator Wyden and I also led the effort to make sure U.S. law prohibits any imports coming into our country that were made with forced labor. In the years since our amendment passed, the U.S. Government has made some—but only some—progress in forced labor enforcement.

China's state-sanctioned large-scale forced labor programs, especially for millions of Uyghurs and other Muslims, show that we need to do more.

If confirmed, will you commit to making forced labor enforcement, particularly a crackdown on China's massive forced labor program—will you commit to making that a top priority?

Ms. TAI. Yes, Senator Brown. I think that the use of forced labor is probably the crudest example of the race to the bottom that I was talking about earlier with Senator Cassidy.

Senator BROWN. Thanks.

And the last question, Chairman Wyden—and I appreciate the time. From your time on Ways and Means' dignity of work trade agenda, you recognized as essential—from your work, I can see that—building trust with Americans. In Ohio and other States they know their livelihood and their families have not been the focus of trade policy. My opposition to our trade policy has been grounded in the fact that it has really hurt workers in my State, across the industrial Midwest, and really nationally.

My question is this, in the last few seconds: what are some of the first things you will do as USTR to start to regain the trust of Americans on trade? How do you plan to build that framework in future trade negotiations? What do you start doing? What do you start saying—listen to what I say, but watch what I do? What do we do to regain the trust of Americans on trade?

Ms. TAI. Senator Brown, I think you start by listening. You start by indicating that the formulators of U.S. trade policy care how it is impacting America, and regular Americans.

I know in my earlier conversation with you, we talked about trade's impact on the citizens and the residents of Mahoning Valley. You know, I think that that is where you start. And in terms of where you go from there, then, you do not just have to listen, but you also have to take what you are hearing and translate that into an adjustment and changes to the approach that you have been taking.

Senator BROWN. Thank you, Ms. Tai. I look forward to working with you as USTR. Best wishes.

The CHAIRMAN. I thank my colleague very much. And as you and I have talked about, Ms. Tai, part of what Senator Brown and I set out to do, which we are touching on, is to try to bring Americans together in terms of the cause of creating more high-skill, high-wage jobs. And we thank you.

Senator Lankford?

Senator LANKFORD. Thank you, Mr. Chairman.

Ms. Tai, thanks for stepping up and being able to take this on. There are folks in Oklahoma right now who are working on the wheat, and cotton, and beef, and pork, and chicken, and manufactured goods that are all headed out of the country, who are very dependent on what you do and how well you do your job.

So this does have a direct impact on a lot of people—and I know their names—because they are counting on not only maintaining good trade relationships, but expanding to new places.

The first question that I typically get from folks is, “Where are we expanding to next? Glad we have this agreement, now what is the next agreement that we are actually working on?” Because they are always looking for new markets and new places, because we produce great products in Oklahoma, and the world would buy them if they had access to them and we could actually get the tariffs all worked out back and forth. So I look forward to seeing your leadership there. A lot of folks are counting on you in that.

One of the other areas that goes in the other direction is the issue of 301, and we have talked about this before. The 301 exclusion process is a process you do not care a thing about unless you are directly affected by it. And we have multiple companies in Oklahoma that are.

The 301 exclusion process—it is extremely important that it is run efficiently, and that people get answers to it. Otherwise, they are directly affected and so are all their employees.

Tell me what you are going to do on that 301 exclusion process and how you are going to manage that.

Ms. TAI. Senator Lankford, it is a great question. And I know that the 301 tariffs have touched directly a lot of people, and have disrupted a lot of people's lives and livelihoods.

I think what I would say to you is, if confirmed, that I would bring the focus of what I spoke about earlier with Senator Cardin, about the emphasis on good governance, as well to the processes and the responsibilities that USTR has itself.

So with respect to the exclusions process, just in the job that I have had over the past few years, I am aware of the many concerns

that have arisen with the process. If confirmed, this is very high on my radar in terms of assessing the process that is in place for exclusions, the decision-making, with an understanding that the transparency, predictability, due process, are all critical to the way we want our government to function.

Senator LANKFORD. Right, and speed of decision. And to know when the decision is made, the decision is going to carry over from year to year, and they are not constantly worried about now next year, now next year; they just cannot plan from there.

Critical minerals is another area that you and I have talked about before. We are obviously very exposed in that area with China. China has made it very clear, and recent articles have been out there saying they are targeting using that leverage to cut nations off from actually distributing critical minerals to them.

That should make us wake up even more in this process. Part of the challenge that we have is, when an American company starts their mining process and finally gets through all the environmental restrictions, they have to be able to produce it here. China can cut the price there. It cuts off access to capital here and growth here, and so we have a problem.

So one of the big issues we have, if we are going to have a clean energy, or if we are going to produce steel, or any number of other things, is we have to produce our own critical minerals, or develop new relationships with allies that we can trust that will provide critical minerals.

What is your strategy on that?

Ms. TAI. Senator Lankford, I know that the Biden administration issued a supply chains executive order yesterday that specifically calls out critical minerals as one of the supply chains for special focus in crafting a strategy.

So, if confirmed, I look forward to participating in that process and supporting that review. In terms of the strategy, and coming from the USTR, as you know, because we talked about it in our earlier conversation, one of the big cases that I worked on at USTR related to China's export restrictions on rare earths and a number of other critical materials and minerals that come out of the ground.

I think that in this area trade has an important part to play, but the trade piece is part of a larger strategy that relates to our supply chain resilience. And so, if confirmed, I will look forward to being not just a connector between Congress and the administration, but being well-coordinated with the other parts of the administration that are thinking and making plans in this area.

Senator LANKFORD. Right. So identifying some of the rare earth and critical minerals that we are exposed on, and finding other places to be able to get them so we have multiple sources, and developing those relationships, should be part of our strategy.

I know you have had some brief comments about this. I will not go into it in depth. The trade relationship with the UK is extremely important to many people in Oklahoma. It is an area I want us to continue to be able to develop. I know that is difficult. They have a problem with chlorinated chicken. We have a problem with *E. coli*. So apparently they do not have as much of a problem with it as we do.



But all those issues can be worked out, should be worked out in the days ahead, and I would encourage you to do that. And as we have talked about before, as you are developing multiple different trade relationships, I would encourage you to develop a relationship with the State Department to be innovative in the area of smaller countries with less economic development, so that we can actually partner with State to be able to do some of those things under your guidance and leadership.

So I thank you.

The CHAIRMAN. I thank my colleague.

Senator Daines is next. Senators Daines, Casey, and Young are the next three.

Senator Daines?

Senator DAINES. Great. Thanks, Mr. Chairman. Thank you, Ms. Tai; good to see you again.

My colleague from Oklahoma, Senator Lankford, talked about cotton and some of his products. It is a little cold in Montana to grow cotton, but we are excited about beef, wheat, barley, wool products, as well as pulse crops.

In Montana, we realize that 95 percent of the world's population lives outside the United States. To access these markets is critically important, certainly for some of our ag-focused States.

Believe it or not, Montana is the number one pulse crops producing State. Now what are pulse crops? You know what those are, but for the benefit of those who do not, it is peas, lentils, chickpeas. We are now number one. Our farmers realize that they put nitrogen actually back into the ground. Our wheat and barley producers are now rotating those crops in. It is a great success story to diversify our crops for sustainability.

Access to India's pulse crop market is very important for our Montana farmers, for Montana jobs, and for our economy. Unfortunately, as you know, U.S. pulse crops face high tariffs, a very unfair playing field there with India. And that is why last year Senator Cramer and I sent President Trump a letter urging him to prioritize the issue. He took that letter directly to Prime Minister Modi in fact. In fact, the President sent me back a picture as they hand-delivered that letter to Prime Minister Modi during the visit.

So my question for you: would you commit to engaging India on this issue and prioritize the removal of those tariffs and other barriers to trade with India as you look at more trade negotiations with India?

Ms. TAI. Senator Daines, it is nice to see you as well. I know that our interests with India are manifold. I commit to you to having an awareness of the importance of pulse crops trade. And if confirmed, I look forward to engaging with the Indians on our trade relationship and will keep pulse crops in mind.

Senator DAINES. Thank you. It is very critical we support our pulse crop farmers. If we get a level playing field, we are going to see continued growth in overseas opportunities for us. So thank you for that.

Shifting gears to TPP, back in 2018 I led over two dozen of my colleagues in sending a letter to President Trump urging him to re-engage with the Trans-Pacific Partnership. And I am calling on President Biden to do the same.

I know politically that was not seen to be the most attractive issue at that time, but I believe strongly that this multilateral approach with our allies is very important to think about in the long term of trade.

Given China's growing economic and geopolitical influence, it is essential that we work with our allies and partners in the region. We had a great conversation, and we both spent time living in China, working in Guangzhou. My question for you is, do you support reengaging with the Trans-Pacific Partnership and pursuing multilateral trade agreements with our friends and allies in APAC and around the world to improve access to important markets and counter China's growing influence?

Ms. TAI. Senator Daines, again I know your interest in this area and your experience with respect to China and the Asia-Pacific. To follow on the exchange I had earlier with Senator Carper, I want to emphasize that today, even today in 2021, the basic formula of TPP, which was to work with our partners with whom we have very important shared interests economically and strategically, and with the challenge of China in mind, is still a sound formula.

I think that what I would add is that, a lot has changed in the world in the past 5 or 6 years. And a lot has changed in terms of our own awareness about some of the pitfalls of the trade policies that we have pursued as we have pursued them over the most recent years.

So what I would say to you today is, with respect to working with other countries on a multilateral basis in the Asia-Pacific with the China challenge in mind, that if confirmed, those are absolutely elements that I believe are worth pursuing.

Senator DAINES. Thank you.

I want to shift gears here—there are so many things to talk about in a short amount of time—and that is China and polysilicon. For years, the U.S. polysilicon industry has been targeted by China, and retaliatory tariffs are threatening high-wage manufacturing jobs—in fact, one of our facilities, REC Silicon in Butte, MT. Polysilicon was specifically included in the Phase One agreement as well, and China committed to opening its market but has failed to do so to this point.

Could you provide any updates on any developments regarding polysilicon and how China is moving forward with any purchases?

Ms. TAI. Senator Daines, I am sorry to hear, and I am upset to hear from the polysilicon industry that China has not followed through on promises that it made in that agreement. If confirmed, I want you to know that working on the relationship with China on the implementation of the China agreement, and to continuing to dynamically work on a vision for where we take the U.S.-China trade relationship, is absolutely critical in my mind.

Senator DAINES. Last quick question is—

The CHAIRMAN. And very quickly.

Senator DAINES. I will go quickly. It is about beef, a big deal for us in Montana. I will be quick on this. If confirmed, would you work closely with USDA to remove these nontariff barriers relating to beef exports to our trading partners and advocate for science-based and rules-based standards?

Ms. TAI. Senator Daines, if confirmed, yes.

Senator DAINES. We have three cows per person in Montana. Thank you.

The CHAIRMAN. Very good. Thank you, colleague.

Let's see; we have Senator Casey on the web.

Senator CASEY. Mr. Chairman, thanks very much. And I want to thank Ms. Tai for her willingness to continue public service. Just a remarkable personal story, and I want to commend you for the work you have already done, and we are inspired by your story and your commitment.

I especially appreciated your reference to, quote, "trade policies that enhance the interests of all Americans," unquote. I am putting the emphasis on the word "all" because all of course would include men and women having the opportunity, the equal opportunity, to reach their full potential and have the same opportunity to contribute to society. And that should be reflected in our trade policy, where we should affirm values that we all hold dear as Americans.

Senator Cortez Masto and I have developed a series of policies to incorporate measures on women's—women's—economic empowerment and participation in our trade laws. And I know this is work that you are not only well familiar with, but have helped to advance.

If confirmed as USTR, will you work with us in our efforts to incorporate measures on women's economic empowerment and participation in our trade laws and make this a priority at USTR?

Ms. TAI. Yes.

Senator CASEY. Thank you. It is great to have brevity in an answer that incorporates so much. We are not used to that.

But I also wanted to add to that. As you undertake your work at USTR in furtherance of the President, President Biden's racial equity executive order, I want to note the intersectional issues of gender and race, and hope that they would be incorporated and considered. And I will assume your answer to that is "yes" as well.

Let me move, secondly, to China. And I know that has been a focus of your attention and the attention of the members of the committee on so many fronts.

We face just a myriad of challenges when it comes to the Chinese Government especially. We have to engage, I think, in coordinated efforts to address a number of issues. Market distortions is one. Second, subsidies. And third, anticompetitive behavior the Chinese Government engages in.

Through our Trade Subcommittee in the Finance Committee, in the last Congress, Senator Cornyn and I worked on a range of issues posed by the Chinese Government, including the Belt and Road Initiative, extraterritorial censorship, and market access challenges.

These, of course, are cross-cutting issues which will require both coordination and cooperation. You have significant—I think that is an understatement—significant experience in this regard. Can you discuss your observations with respect to the evolution of tactics and strategy employed by the Chinese Government in the trade and economic space and how USTR can work in coordination with the interagency to combat some of these efforts to support domestic production and competition?

Ms. TAI. Senator Casey, I watched those hearings that you and Senator Cornyn have put on here in the Senate Finance Committee and appreciate the levels of expertise and interest that you have demonstrated with respect to our China trade and competition issues and challenges.

I am just thinking through how to provide you with a pithy response to your really meaty question, and I think that what I would say is that, with respect to the nature of the Chinese challenges, I think it is clear that when we as Americans, with our economic traditions, look at the Chinese economy, what we see is an extremely formidable competitor where the State is able to conduct the economy almost like a conductor with an orchestra, whether or not through companies that are officially state-owned, or just companies that are part of the Chinese economy.

I think that traditionally, we in our system have been very trusting of the free market, of the invisible hand that Adam Smith described in terms of the market forces taking care of our economy in global competition. And I think that what the most recent years have taught us is that we need to revisit how we conduct our economic activity, our cooperation, and our trade policies, not to become China but how to be true to ourselves and our traditions and be more strategic, knowing the quantity and the strategy and the ambition that we are up against.

Senator CASEY. Well, thanks very much. Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague.

Senator Young?

Senator YOUNG. Welcome, Ms. Tai. It is good to see you again. I enjoyed our visit prior to this committee appearance.

I know that a topic of mutual interest for you and me, and I also know the administration, is the issue of supply chains and domestic reshoring. In fact, I look forward to working with the administration and you on that. So much of the pandemic's negative impact can be attributed to this lack of domestic sourcing capacity for a variety of products: PPE, semiconductors, batteries, chemicals—you know, the list goes on and on.

Compounding this problem is the fact that our supply chains are nearly solely reliant on manufacturing in China. The President's executive order released yesterday is, I would say, a step in the right direction, but I would caution you and others about timeliness and expediency.

I have been in Congress long enough to know that these multi-agency reviews can take a lot longer than we hope for, and sometimes projected. And we have industries that know their own faults right now. But we cannot expect them to build a factory overnight. So I just hope that we approach this issue with great humility moving forward, and move as quickly as possible nonetheless.

You and I have discussed various strategies to support domestic reshoring while ensuring that businesses are not further harmed during these strenuous times. "Aggregated demand mapping" is a term that most people are probably unfamiliar with, but it is something I think we may have discussed in our earlier conversation. So that is one area that is of great interest to me, and it pertains to supply chains.

And then just more robust Federal support for U.S.-based innovation is also something I support. Both of these issues and policy initiatives are embedded in my legislation, the Endless Frontier Act, which would go a long way to both understanding and addressing the problem of supply chains.

So, Ms. Tai, do you believe it is possible to work on understanding and addressing our supply chain problem simultaneously—understanding it, and addressing it at the same time?

Ms. TAI. Senator Young, thank you for that question. I sure hope so, because I think that is exactly what we need to do.

Senator YOUNG. Okay. My sense is, that is the administration's objective, because with the executive order, attempting to understand it, there is still some lack of clarity as to what resources that had been publicly reported are going to be dedicated towards this issue, what they will be spent on as we seek to understand. So we need to strike the right balance there.

What levers do you anticipate using to promote domestic reshoring?

Ms. TAI. Senator Young, I think—as I am just thinking about it, if confirmed, I am really eager to get in and to have USTR do its part in this process.

In terms of reshoring—and I like the term “reshoring” as opposed to “onshoring,” because reshoring suggests that we will be doing something here in the United States to rebuild our manufacturing capacity, to reindustrialize, but it also suggests that we will be taking another look at our supply chains and the partnerships that we have with other sources of supply.

In terms of USTR's role, I think that there are clearly trade relationships, trusted trade relationships, that can be leveraged.

Senator YOUNG. Did Ambassador Lighthizer in the previous administration adopt the appropriate approach, in your view?

Ms. TAI. Um, I am not quite sure—with respect to supply chain?

Senator YOUNG. With respect to reshoring.

Ms. TAI. Oh, with respect to reshoring. You know, that is an interesting question. I think that I will have to think about it to give you my best answer, but I know that with respect to Ambassador Lighthizer's policies, there has been a lot of disruption and consternation that have accompanied some of those policies.

I would want to accomplish similar goals—

Senator YOUNG. Yes—

Ms. TAI [continuing]. In a more effective, process-driven manner.

Senator YOUNG. Let me ask you one more question here, knowing that intellectual property is really our value-added for so much of our economy. In my home State of Indiana, roughly \$8 billion in R&D investments occur annually in the State of Indiana.

In order to protect jobs and investments here domestically, we have to rein in abuses and focus on international IP law reforms. I know we are still trying to get clarity on President Biden's approach vis-à-vis China on a range of different issues, and he is working to bring clarity on those issues, I think, as well. But it can be assumed that he is not going to tolerate any sign of lapses in China's IP protections, or from other foreign countries.

Can you elaborate briefly on how you would help to develop President Biden's coherent strategy to ensure that IP-intensive industries are supported through U.S. trade policy?

Ms. TAI. Yes. Let me—let me think through your particular question. So, as you may know, Senator Young, President Biden and his administration are committed to undertaking a comprehensive China review. And that will involve IP protections, and it will also go across the board in terms of our strategic interests and across disciplinary policy areas.

With respect to the specific issue of respect for intellectual property rights, I think that that is a particular example of just a flagrantly unfair trade action. And I want to acknowledge that the section 301 investigation that Ambassador Lighthizer started was based on a very voluminous and a lot of hard work in documenting really examples of that kind of abuse.

So the section 301 investigation is itself one example of IP enforcement, and how far we can take it. I think that clearly there ought to be other tools as well. And I would be very interested, if confirmed, in working with you on these issues.

The CHAIRMAN. We are way over here, and my colleague is talking about something very important here. We are going to need to call in some audibles here, I would say to the nominee, Ms. Tai.

Senator Cortez Masto will chair and will ask some questions. I am going to run over and see if I can get back very quickly, but it is our intention, between Senator Crapo and I, to keep this going.

Senator Cortez Masto, are you there?

Senator CORTEZ MASTO. I am here; thank you.

The CHAIRMAN. Wonderful. Thank you, colleagues, so much, and you are recognized, and I will run over and be right back, and we thank our nominee for her patience.

Senator CORTEZ MASTO [presiding]. Thank you.

First of all, let me start off by thanking you and congratulating you, Ms. Tai, on your nomination. I too am excited. Thank you for taking the time to speak with me.

Let me start by asking a few questions here, and then I will open it up to others as well. This past October, the former administration issued a proclamation that increased tariffs on solar energy to 18 percent in 2021 from the previously announced level of 15 percent.

The proclamation also authorized a new investigation that could extend these tariffs beyond the 4 years originally levied. At the end of last year, I signed on to a letter with several of my colleagues urging the Biden administration to repeal these tariffs, as they have resulted in nearly 62,000 workers being either laid off or never hired, as well as the loss of 10.5 gigawatts of solar capacity.

So my question to you is, if confirmed, what would be your approach to reviewing and addressing this issue?

Ms. TAI. Senator Cortez Masto, the solar section 201 safeguard action has been going on for a number of years, and so I am familiar with its origins and some of the developments since then.

I think that one of the challenging aspects of a case like this one is that you have petitioners here in the United States who sought the review and won the remedy. And here we are, because it has

impacts on different sides of the industry in the United States where we find ourselves really challenged to figure out how to thread the needle in a situation where an industry is trying to stay afloat in the face of China cornering the market on solar panels.

So I want to just start by acknowledging that this is a really tough issue. If confirmed—USTR does have a role to play with respect to the section 201 process, and I commit to you to engaging in that process in good faith, and keeping in good touch with Senators like yourself who have a stake in the outcome of this proceeding.

Senator CORTEZ MASTO. Thank you. And that is really all I could ask right now. Thank you for that commitment. I think that is so helpful.

Let me jump to an issue that Senator Casey also talked to you about. As you are aware, legal authorization for the Generalized System of Preferences program expired on December 31st in 2020. As a result, U.S. imports entering the United States after that date that were previously eligible for duty-free treatment under GSP are subject to regular, normal trade relation rates of duty.

Prior to its expiration, Senator Casey and I introduced the Women's Economic Empowerment Trade Act to ensure countries receiving trade preferences under GSP strengthen standards on workers rights and the rights of women.

So can you discuss your thoughts on GSP? And do you see a need to update GSP to ensure stronger standards and equity in representation?

Ms. TAI. Senator Cortez Masto, I know that GSP enjoys bipartisan support up here, on the Hill in particular. And if confirmed, I look forward to engaging from USTR on efforts that I know are ongoing here on the Hill to update and to continue the GSP program.

Senator CORTEZ MASTO. Thank you. Thank you for that.

Let me talk a little bit about China's Belt and Road. One area I am proud of in Congress's work in response to the China challenge is what we have done to respond to China's Belt and Road Initiative. And although there is more work to be done, we passed bipartisan legislation, which I supported, to establish the Development Finance Corporation.

I remain dedicated to ensuring the United States is stepping up to the plate to address the challenges and opportunities posed by competition with China.

From your perspective, what measures should Congress be taking, like the Development Finance Corporation, to improve the U.S.'s ability to compete with China?

Ms. TAI. Well, Senator Cortez Masto, I just want to acknowledge my awareness of the high levels of energy, interest, and innovative thinking in the Congress about this very question of how the United States can compete more effectively with China.

So with respect to the Development Finance entity that you described, and what else Congress may want to do, I just want to indicate to you that, if confirmed, I will be very interested in being part of the administration's conversation with Congress about what we do in our whole-of-government approach to addressing this question.

Senator CORTEZ MASTO. Ms. Tai, thank you. I know my time is up, but I thank you so much for your willingness to serve, and congratulations again on your nomination.

Now, let me go through the list to see who might be next in line to ask questions. Is Senator Warner available? I know many of the Senators are on the floor voting right now. Is Senator Warner available?

[No response.]

Senator CORTEZ MASTO. If not, we will move to Senator Sasse.

[No response.]

Senator CORTEZ MASTO. All right, let's try for Senator Whitehouse.

[No response.]

Senator CORTEZ MASTO. All right, I understand Senator Barrasso is available in there. Senator Barrasso?

Senator BARRASSO. Thank you very much. I am in the committee room.

And congratulations, Ms. Tai. Thank you for taking the time to visit with me last week by phone. I enjoyed it very much. Congratulations again.

As we discussed, one of the issues that is so critically important to my home State of Wyoming is soda ash. And I think you, in the introduction, talked about your parents coming to the country because of efforts by President John Kennedy. I think I mentioned to you that, when Caroline Kennedy was nominated to be Ambassador to Japan, she came here and we talked about soda ash. Since then, she always, every time I see her, she refers to me as "Senator Soda Ash." So it is really critically important to our State. In the United States, our natural soda ash is refined from a mineral called "trona."

The Green River Basin in Wyoming has the world's largest trona deposit. Soda ash is a key manufacturing component for glass, detergent, soaps, chemicals. U.S. natural soda ash sets the standard for quality, for purity, energy efficiency, and production. And, like many U.S. industries, soda ash faces significant trade barriers around the world.

So, as part of your effort to promote U.S. industries in international markets, will you commit to advocate for eliminating trade barriers for soda ash and other important U.S. industries in the international marketplace?

Ms. TAI. Senator Barrasso, the short answer is "yes." I want to let you know that I did a little bit of my own research on soda ash in your State, the trona ore. You mentioned that one of the benefits of producing soda ash from trona ore is that it is more clean, the process we have here, and in terms of the competition that soda ash producers face. They are facing producers who are working with dirtier processes. So I just want to say "yes"—in terms of working through our trade policies, in advancing our soda ash producers, but also my interest, if confirmed, in working with the other parts of the government to look at the question more holistically in terms of how we advantage our producers.

Senator BARRASSO. Well, I appreciate that very much.

I did want to talk about energy. In 2019, the United States became a net energy exporter for the first time since 1952.



U.S. energy independence, I believe, is critically important for our national security. American energy production provides good jobs, funding for the schools and public services, all of these things.

So the United States' liquefied natural gas and other energy exports limit the ability of countries like Russia to wield energy supplies as geopolitical weapons. There is no evidence that a reduction in U.S. fossil fuel production is going to in any way reduce global production or consumption of energy derived from fossil fuels. The need worldwide is going to continue, whether we make it here or whether we have just become dependent on Saudi Arabia, or we turn the market over to Russia or other countries.

Can you please explain how the U.S. Trade Representative, under your leadership, is going to support and encourage growing our energy exports and the jobs that are so critical that this industry provides?

Ms. TAI. Senator Barrasso, let me acknowledge that energy policy is critical, and I know that in these winter months it is on the minds of many Americans in terms of our access to energy and having good energy policy.

Let me also acknowledge my own limitations in terms of my background in this area. Obviously we do trade in energy, import and export. But I also know that this is an area where, if confirmed, USTR will need to work closely with other departments of the administration—the Department of Energy, primarily in my mind—in terms of what we do for U.S. policy. And I look forward to doing that.

Senator BARRASSO. Could I also ask you about U.S. beef and cattle production? And cattle producers in Wyoming and across the West are responsible stewards of pastures and rangelands. We sequester carbon while producing a premium product on land that is typically not suitable for growing other food products.

I know Senator Daines has talked to you about that as well. He and I went to China and took U.S. beef with us to China. And as climate and environment concerns begin to have a greater role in international trade policies, will you commit to working with the cattle producers to defend our science-based production practices and show the rest of the world how American cattle producers are really part of the solution and not the problem?

Ms. TAI. If confirmed, Senator Barrasso, it would be my pleasure to work with the American cattle ranchers on their solution to the problem and advancing their interests.

Senator BARRASSO. And my final question—I am running out of time—how does the U.S. Trade Rep intend to protect U.S. farmers and ranchers overall?

Ms. TAI. So that is an important question, Senator Barrasso, and it gives me an opportunity to reinforce a point I made earlier, which is, in thinking about crafting a worker-centered trade policy, that very much has in mind agricultural workers and the need to break out of the pattern of pitting one sector of our workers against another sector.

Senator BARRASSO. Well, thank you, and congratulations again on your nomination. Thank you.

Ms. TAI. Thank you very much, Senator.

Senator WHITEHOUSE [presiding]. I think, Ms. Tai, I am up next, and chairing for the moment as well. So thank you very much for being here. I wish you every success. I am delighted that you raised climate at the front of your priorities list. That may have been alphabetical, but I hope it actually was not.

We, I believe, in Congress live in a fairyland of folly about how serious this problem is that is brought on primarily by the fact that we live in a world in which fossil fuel influence has more clout than fact. So I am delighted to see that.

I am also delighted that your introducers described you as somebody who would be all about enforcement, enforcement, and enforcement. I hope that is true. I have been in Congress 14 years, and enforcement has never been an adequate priority, in my view, ever.

So I hope when you are done improving enforcement, you then improve enforcement, and then you improve enforcement again.

There are two topics I would like to touch with you on. First is the ISDS issue. In my view, when big American industries deploy legions of lawyers to intimidate small countries—like the way the tobacco industry went after little Togo on the African coast—when they are trying to protect their people, these countries, from the dangers of the products of those big lawyer-laden industries, that may be good for the industry, but that is also the face of America. And it is a lasting face of America for the people in the country who were bullied through this process.

And it is not the face of America that I think we want to see. We are a country that lives in many respects by virtue of the power of our example, and of our principles, and of our values. And the face that we present to, particularly smaller countries I think, is vitally important.

So I urge you to think of that in the way in which we handle all these ISDS supports. The tobacco industry has revenue far greater than that of the government of little Togo, and going after them the way they did was disgraceful and damaged us with not only the Togolese, but also many other countries that witnessed that phenomenon.

That has to stop. That is not the way America should present itself to the world. It has foreign policy and national security consequences when we let that run wild. So I hope that you will take that to heart as we look at the ISDS problem.

Is that a fair comment, in your view?

Ms. TAI. Senator Whitehouse, you have made clear your views and critiques of ISDS. On this, I would just acknowledge and recognize that President Biden himself has articulated his opposition to ISDS on the basis of the chilling effects it has on other countries' policy-making.

And I think that the other data point that I would share is, Ambassador Lighthizer himself also had real objections to ISDS.

Senator WHITEHOUSE. Yes. There were surprising improvements in the USMCA that I was actually surprised and pleased by.

The last topic for me is that our oceans are being trashed right now. There is bipartisan support here to fix that. We have done a lot of work on measures that have passed by unanimous consent.

We have set up new funding. We have given USAID new programs. There has been a lot of work, and there is more coming.

But even with the stated support for cleaning up the plastic trash in the ocean from the previous President, from his Secretary of State, and from Ambassador Lighthizer, when he actually got to the negotiation to try to do something about the plastics problem, every time there was a conference on this subject, what came out of it in the press was that the United States had been the obstacle. The United States had been the laggard. The United States had been the spoiler.

And I do not know what happened between President Trump and Secretary Pompeo and Trade Representative Lighthizer and those negotiating teams that caused those negotiating teams to feel comfortable being the worst player in the room trying to solve this problem, but that really has to stop, in my view.

And this is not an issue in which big business—in your position, big business is going to be pressuring you like almost nobody else in government. They want their stuff through trade and, as you know, you will be living at the center point of an enormous press in corporate forces. None of them are going to be pressing to clean up our oceans.

That is going to have to be on you and on your team to make sure that that stays at the front of the agenda. Are you ready to do that?

Ms. TAI. Senator Whitehouse, I know your interest and passion on this particular issue, and I was really well educated in our first conversation by you on congressional efforts and the fact that they are bipartisan on this issue. I want to acknowledge that USMCA's environmental chapter has language that addresses marine debris and the ocean plastics problem, and that in the renegotiation between the Democrats and the Trump administration there were additional appropriations that were made available to support U.S. Government efforts.

So let me just say that this is very much on my mind, in particular because it is so important to you, and I think that there is an important and positive role for USTR to play, and if confirmed, I will follow up on this.

Senator WHITEHOUSE. Good. So will I.

And I turn over now to the redoubtable Senator Hassan of New Hampshire.

Senator HASSAN. Well, thank you, Senator Whitehouse. And consider this New England neighbor another salt water Senator who cares a great deal about marine debris, as do members of both parties, as you heard.

And I want to thank Chairman Wyden and Ranking Member Crapo for holding what is truly an important hearing today, and thank you, Ms. Tai, for not only appearing here but for your willingness to serve our country during this difficult time. And thank you to your family as well.

I want to follow up on a discussion that I know you have already had with some of the other committee members. I was encouraged by the bipartisan discussion that I joined at the White House yesterday on securing and strengthening U.S. supply chains. We have to take on the Chinese Government and reinvest in American man-

ufacturing in order to protect our national security, our public health, and our economic independence.

The President's executive order yesterday is a necessary first step to rebuilding our domestic supply chains for strategically critical technology, and the supplies we need to address COVID-19, for example.

I know others have asked some questions about this, so could you follow up on those previous questions and expand on the importance of building resilience in securing domestic supply chains? And can you give the committee a sense of the USTR's role in implementing the presidential view of strategically critical U.S. industries?

Ms. TAI. Senator Hassan, I would be pleased to. I think that I may have mentioned earlier, but the COVID-19 pandemic in particular provided those of us working on trade policy with a lot of food for thought about the supply chain disruptions, and how we could find ourselves in such a vulnerable position scrambling for goods that the rest of the world needed all at the same time.

I think that has led to some very reflective and positive bipartisan conversations around not just the supply chain strategy itself, but also its implications for how we adjust the assumptions that we build into our trade policies and what we try to accomplish with our trade policies.

On your second question of USTR's role in the administration's effort that was rolled out yesterday, if confirmed, I really look forward to bringing USTR and all of its talents and insights to bear on the interagency process, and in the conversation with Congress, to craft the best strategic policies we can to put the U.S. on the strongest footing we can.

Senator HASSAN. Thank you.

I want to talk about another issue. Ms. Tai, exports of manufactured products support 18,000 jobs in my State. New Hampshire's largest manufacturing export category is computer and electronics products, which make up about one-fourth of our—actually, a little bit over a fourth of our exports.

How will you work at USTR to support U.S. manufacturing jobs and strengthen U.S. exports in the computer and electronics industry?

Ms. TAI. Well, Senator Hassan, if confirmed and at USTR, I would be delighted to work with you and your State and your stakeholders on supporting their productivity and their access to export markets.

Senator HASSAN. Well, thank you. That is something I look forward to working on with you as well. I spoke with President Biden about this issue yesterday when we were at the White House, and it includes the critical need to invest in domestic production of semiconductors, which I know other people have talked to you about. We do not want to cede that to China either. And I look forward to working with you on that.

One other issue, if I could. The bipartisan U.S.-Mexico-Canada Agreement cut red tape for small exporters by expanding electronic filing of Customs forms and making more exports into Mexico and Canada tariff-free. The small business chapter of the USMCA also

created a committee dedicated to giving a voice to small businesses in shaping trade policy.

Will you work at USTR to ensure that small businesses are represented on this committee, and to ensure that the views of the committee are reflected in our efforts to support innovative U.S. businesses that are competing in the global economy?

Ms. TAI. Yes.

Senator HASSAN. Thank you very much. I yield the rest of my time. Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague. And I think we have had a number of Senators pitching in in the collegial Finance Committee fashion, and I thank them all.

I think now we have, on the web, first Senator Warren and then Senator Toomey, and we may have a couple of others, and I thank our nominee for her patience. We are going to—I think—finish before the time that it took with your colleague, Mr. Becerra, and that will be good.

Okay; Senator Warren?

Senator WARREN. Thank you, Mr. Chairman.

So trade agreements have a tremendous impact on our economy. They touch everything that people have been talking about this morning, from jobs and wages to the quality of the air we breathe.

Ms. Tai, I want to talk about processes, the way processes produce rigged outcomes. And I am worried that the processes that structure our trade policy are stacking the deck against American families.

One big piece of this is, who is actually writing our trade deals? When the people who are whispering in the ears of our trade negotiators are corporate executives and industry lobbyists, you can bet that the outcome is probably not going to be great for American workers and American families. And that is exactly what happened with TPP. About 85 percent of the people sitting in on our Trade Advisory Committees when that deal was negotiated were representatives from corporations and industry. And by the way, it took months to even uncover this information. It was not even publicly listed.

So, Ms. Tai, do I have your commitment that each of our existing Trade Advisory Committees will have more representatives from labor, consumer, and environmental groups than from corporations?

Ms. TAI. Senator Warren, thank you for your question. I know how important this is to you, and I wanted to share with you as well that I am a firm believer that good process provides good substance.

In terms of the composition of the advisory committees, I commit to you to reviewing how those advisory committees are composed. There is a statute that governs in this area, and I will be very eager, if confirmed, to come back to you to look at that statute and to look at how the composition of those advisory committees actually happens.

Senator WARREN. Well, I appreciate that, and I appreciate that you are going to come back to me on this. But I have to say that if the administration will not ensure that the interests of American workers and American families are prioritized over corporations

when we are writing trade deals, then we are never going to get beyond a trade policy that leaves American families on the losing side.

This needs to happen. So I am looking forward to following up on this.

I want to ask you about another important piece of process, and that is about what the public is allowed to see before trade deals are enacted. After corporate executives and lobbyists are done shaping the terms of an agreement, Congress is usually asked to fast-track it—you know, greasing the skids so that that agreement can pass with a simple up or down vote, no ability to make changes on it.

But the public does not actually know what their representatives are fast-tracking, because they never got to see the agreement. It is secret. So workers and families have no idea how corporations may have thrown them under the bus until after Congress has already tied its hands and given up some of its ability to fix the agreement.

So it is time, I believe, that Americans should be able to see for themselves whether or not trade deals that are being negotiated are actually good deals for them and for their families.

Can you commit to releasing the draft bracketed text of any trade agreement under negotiation at least 2 months before Congress is asked to fast-track it, give us a chance to read it?

Ms. TAI. Senator Warren, I want to make clear to you how important the principles are that you are articulating here with respect to those who advise our trade negotiators, and with respect to making the results of trade negotiations available to the public. So I want to start from there.

I maybe want to go a step further and let you know that this interest in transparency and connecting with the American people directly on our trade policies, in my mind goes beyond what we do in the context of negotiating large trade agreements, and I very much hope, if confirmed, to bring these principles to the conduct of U.S. trade policy on a day-to-day basis

Senator WARREN. Well, I very much appreciate that you want to engage with the American people on this, but what I am really looking for here is a hard commitment. You know, to me this is another place where the administration needs to take a hard line.

Trade negotiations must be open and transparent to the public. And without that commitment, you are denying Americans the ability to know if what is being negotiated on their behalf actually benefits them, because they do not get any real input into the process. But trade agreements need to happen on terms that strengthen American workers and the American economy.

And if we want American families to come out ahead on trade deals, we need to start by fixing the processes that have produced these rigged outcomes. We need to make sure that representatives from labor and consumer and environmental groups, not just from corporations, are the ones who are filling the seats at the table.

And we need to give the public an opportunity to actually see and evaluate the trade agreement that will have such a huge impact on their lives and on their communities. This would be a really big step toward making our trade policy work better for America.

Thank you, Mr. Chairman.

The CHAIRMAN. Is my colleague from Massachusetts finished?

Senator WARREN. Yes.

The CHAIRMAN. Okay.

Next will be Senator Scott.

Senator SCOTT. Thank you, Mr. Chairman. Ms. Tai, thank you for your willingness to serve our Nation.

As you may know, I worked closely with your predecessor on the issue of seasonality. I consistently hear from my growers in South Carolina and agricultural producers back home about the unfair trade practices and disadvantages they continue to face as they compete with foreign food producers.

Our current policies, frankly, or the lack thereof, force my producers to compete against subsidized foreign growers with one hand tied behind their back, while continuing to grapple with the pandemic at the exact same time.

Given your experience negotiating USMCA, and understanding that seasonality was included as a TPA negotiating priority, if confirmed, will you commit to working with me on this issue and keeping me updated on the steps taken to make sure that we address the unfair trade practices that put American farmers last?

Ms. TAI. Senator Scott, yes.

Senator SCOTT. Thank you, ma'am.

As we work to recover from the recession the pandemic caused, we must continue to put America's workers, small businesses that employ them, and all job creators first.

President Biden, a long-time ally of labor leaders, has been vocal about his plan to pursue a worker-centric trade policy agenda. Today, roughly 10.8 percent of all wage and salaried workers in this country are members of unions—it is their right—including thousands of South Carolina's employees.

What can we expect this worker-centric trade policy agenda to encompass, and if confirmed, can you assure me that the roughly 90 percent of American workers and 98 percent of South Carolina's workers who are not union members will also stand to benefit from the agenda?

Ms. TAI. Thank you for this important question and opportunity to elaborate on the spirit of a worker-centered trade policy, Senator Scott. I want to assure you, as I have done earlier with some of your colleagues on the committee, that in a worker-centered trade policy, the term "worker" really is expansive and covers our workers in all different segments of our economy and industries, and workers who are unionized and workers who are not unionized.

If you are an American and you work, you are an American worker, as I envision the way we are talking about this.

The other element I would like to highlight for you is that, in talking about a worker-centered trade policy, it really is a signal that the patterns that we have had in our earlier trade policies, where regular Americans, regular workers, may have felt that their livelihoods were being traded away for other interests in our trade policies, that is a pattern that we are trying to break out of.

Senator SCOTT. Well, Ms. Tai, I will just say that there is no doubt in my mind that folks back in South Carolina in my textile industry, and throughout the State, who saw their jobs and their

companies just shuttered, or destroyed during previous trade negotiations, welcome that definition of a worker-centric approach. So thank you, very much.

A critical part of South Carolina's economy is the advanced manufacturing and automotive sectors. These industries significantly contribute to our growth, workforce development, and frankly the exporting power of the State. Roughly one in 10 jobs in South Carolina is supported by manufacturing. International automakers alone generated nearly 80,000 jobs in the State before the pandemic.

This is why I believe it is so important that we work to reduce trade barriers and unleash the full potential of our Nation's exporting capabilities. Key to this is ensuring the speedy and proper implementation of the USMCA.

If confirmed, will you commit to consulting with those in the manufacturing, automotive, and agricultural sectors to ensure any obstacles that arise during USMCA implementation are addressed?

Ms. TAI. Yes.

Senator SCOTT. Thank you, ma'am. I appreciate your time.

Ms. TAI. Thank you.

The CHAIRMAN. All right, let's see. I believe we are waiting for Senator Warner.

Senator WARNER. Mr. Chairman, I am here.

The CHAIRMAN. Why don't you go ahead, Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Ms. Tai, thank you for being with us today, and I appreciate your willingness to serve.

I want to go back to some questions on China, and I think I have tried over the last few years to always make the point that, in talking about China, my beef is with the Communist Party of China and President Xi Jinping, and it is not with the Chinese people. And I think that message needs to be always reflected.

One of the areas that I have been very active on the last couple of years is how we deal with the question of Huawei. And I think finally we have come to some policies that have been able to keep Huawei out of the American market, but the truth is, protecting a secure digital infrastructure has never been a priority in our trade negotiations. If we simply keep Huawei out of American domestic markets but Huawei gets the rest of the world, we are not going to be successful.

So I think we should have been aware of this earlier. Digital security of our infrastructure ought to be in part of our trade organizations. So will you support including the promotion of secure and trusted digital infrastructure, including potential prohibitions on reliance on untrusted vendors, in any future TPA efforts? And I actually have a bill on this with Senator Thune, so I want to make sure I give Senator Thune appropriate credit as well.

Ms. TAI. Senator Warner, thank you. And I am aware of the legislation that you and Senator Thune have worked on before. I think that the issue of our critical infrastructure and its reliability, and the degree to which we can trust it, is of the highest level of importance.

And with respect to being informed by this issue and these types of issues in our trade policy, what I would share with you is, if con-



firmed, my inclination is to take this beyond just the informing of objectives for a trade agreement negotiation, to say that this is something that I think that the U.S. Government, the administration, and the Congress should be laser-focused on across the board.

Senator WARNER. Thank you.

One of the things I think—and I am seeing this more from my role on the Intelligence Committee, where the chairman serves with me—is that for a long time in this country, we kind of presumed that virtually every major innovation would take place in America, or if it did not take place in America, we would be able to set the rules, protocols, and standards. I think 5G is the first place where, again, we have seen China start to take that increasingly important role.

I fear that we could see a duplication of that in artificial intelligence, facial recognition, quantum computing, a host of other areas. It is not directly USTR's responsibility, but my fear is what I call the authoritarian capitalism model where China allows a national champion to emerge that dominates 75, 80 percent of the Chinese market, which translates into 20, 25 percent of the global market. And then it gets virtually unlimited Chinese Government support to expand. That is a business model where any American and, for that matter, any western company will be at a disadvantage.

So I would like you to talk a little bit about your views around multilateralism and the fact that I really think, around technology development, we are going to need a coalition of the willing that includes not simply our Five Eyes in NATO, but the Japans and the South Koreas and Taiwans and Singapores, India and Israel. But how do we think about this broad-based technology competition?

Ms. TAI. Senator Warner, I think you are also asking questions that get to the heart of the vision that we need to have for the role that the United States plays in the future of our world, and in our global relationships.

The technology race implicates fundamental aspects of our political and economic value. And also it implicates this notion of trust that we have in the providers and in the designers of technology development that is touching all of our lives so directly and so comprehensively—so in terms of the elements that you have just mentioned: multilateralism, working with others, really thinking strategically ahead about how we work through challenges and opportunities with respect to our technology, our trade and economic policies, and our strategic relationships.

I, if confirmed, look forward to engaging in these issues in depth with yourself and with your colleagues.

Senator WARNER. Well, thank you. And thank you, Mr. Chairman. I just want to say, there are—I think your point that there are values that are actually reflected sometimes in technology standards is a point that sometimes is overlooked. So I really look forward to supporting you and working with you.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague. And, Ms. Tai, I think that—oh, excuse me. Senator Toomey awaits on the web.

Senator Toomey, I did not mean to intentionally pass over you.

Senator TOOMEY. I am sure you would not do that. Can you hear me okay?

The CHAIRMAN. Perfectly.

Senator TOOMEY. Okay; thank you very much.

Ms. Tai, thank you, and thanks for your—

The CHAIRMAN. Senator Toomey, now you are coming in a little bit faint. If you can be a little louder—

Senator TOOMEY. Okay, am I coming through?

The CHAIRMAN. Yes.

Senator TOOMEY. Okay. Ms. Tai, thank you for your endurance here. I am hoping I am last, for your sake.

I want to go back to some process issues here. Article I, section 8 of the U.S. Constitution explicitly gives Congress the responsibility to, quote, “levy and collect taxes and duties,” end quote, and also to, quote “regulate commerce with foreign nations,” end quote.

[Sound interference.]

Senator TOOMEY. So that makes it clear that the regulation of trade is a power of Congress.

Now as we know, as a condition of Congress’s delegation of some of our constitutional trade powers to the executive branch, Congress has specified certain consultation and reporting requirements to ensure that the executive branch is pursuing a path that Congress supports.

In my view, the previous administration did not always follow all of these requirements. So can you commit to us that you will follow and adhere to all of the consultation, disclosure, and fine-line requirements under TPA, if we are pursuing a trade agreement under TPA?

Ms. TAI. Senator Toomey, thank you. Article I, section 8 is seared into my awareness from my 7 years working on the Hill. I want to reinforce your description of the relationship and the partnership that is required between the administration and Congress on trade as a constitutional and legal matter.

I would just add that the creation of the Office of the U.S. Trade Representative, and this particular position of U.S. Trade Representative, is a creation of Congress. This function was taken out of its traditional place inside the State Department, put inside the Office of the President, and made responsive to Congress.

So I would be willing to do you one better and say, separate from the specific statutory expression of the deal that is struck for a TPA, that you have my commitment that the good process that leads to good substance starts with good process and relationship between the U.S. Trade Representative and the Congress.

Senator TOOMEY. Right. So you will adhere to the consultation, disclosure, and timeline requirements?

Ms. TAI. Yes.

Senator TOOMEY. Okay.

As you may recall, the previous administration also failed to comply with one of the longstanding norms. Although it is not explicitly required in the statute, a mock markup has been the process by which the Senate Finance Committee has expressed its views about the implementing legislation.

There was no mock markup for the USMCA. So my question is, again, if we are pursuing a trade agreement pursuant to TPA, and

this committee requests your presence for a mock markup, will you make yourself available and cooperate with us so that we can use that traditional mechanism for communicating our concerns and interests?

Ms. TAI. Senator Toomey, the letter and the spirit of the law are important to me, as a matter of rule of law and good governance in the U.S. Government. And so my answer to you is, “yes.”

Senator TOOMEY. Great. Thank you.

As you know, the previous administration also repeatedly threatened to unilaterally withdraw the U.S. from NAFTA prior to the completion and adoption of USMCA. The Senate Finance Committee added report language to the USMCA legislation that says, and I quote, “The United States cannot withdraw from a congressionally approved trade agreement without the consent of Congress,” end quote.

So do you agree with this committee’s position that as a legal matter, a President cannot unilaterally withdraw from a congressionally passed trade deal without Congress’s consent?

Ms. TAI. Senator Toomey, because you are speaking to me, and I have a law degree and also two bar licenses, I have to confess to you that I have not, myself, studied the legal question to the point where I can say that to you definitively, but let me say to you what I can, as of today, which is, again, my conviction that the best U.S. trade policy is trade policy that has strong, robust, bipartisan support and is crafted through the partnership of the administration and Congress.

Senator TOOMEY. Okay.

Let’s talk about some of the trade agreements that we might pursue under the Biden administration. And I would just like to get a sense of how you think about trade agreements.

So, specifically, if we are engaged—if we have a trade agreement with a modern, developed economy, in an ideal world, in your ideal world, would the goal of that trade agreement be to end up with a mutual and reciprocal zero-tariff, zero-quota, zero-obstacles-to-trade arrangement with respect to goods and services between our country and that modern, developed economy?

Ms. TAI. Senator Toomey, that is a great question, and a really intellectually stimulating one, because I know you are serving up to me a certain set of facts that are very clean. But I have to confess to you my dilemma is that, maybe if you had asked me this question 5 or 10 years ago, I would have been inclined to say “yes.” But sitting here before you today in 2021, having gone through 4 years of Trump administration trade policies, the previous years of efforts to negotiate the TPP, and the last year of living in a pandemic world, I think that our trade policies need to be nuanced and need to take into account all of the lessons that we have learned—many of them very painful—from our most recent history.

And so, while I acknowledge this may be frustrating to you, I think that the most intellectually honest answer I can give to you right now is, I am not sure, and I think it would really depend on the specific facts, the specific partner, and the kinds of consultations that we have with Senators like yourself and your constituents and our stakeholders.

Senator TOOMEY. Well, I have more than run out of time, but I do have to say I am very disappointed with that answer. I thought, within the caveats that I laid out, the answer should be pretty clear. But that does give me some concern about what your goals would be in a negotiation. But I see I am over my limit, and I thank the chairman for his indulgence.

The CHAIRMAN. I thank our colleague.

Ms. Tai, it has been a long morning, now seeping into the afternoon, and I thank you for your patience and your family's. I just want to highlight a couple of points.

I appreciated your picking up on that point I made when we were having discussions with respect to trade really being about expanding the winner's circle. Because for so much of this debate—and I am going to talk a little about transparency—people, I believe, just feel in the dark, and sort of almost feel out of control. You know, the world has shrunk, with both modern communications and modern transportation.

People hear all about these trade agreements and they say, "I don't know. I have to know more about what this means." And that is part of the transparency debate. And it seems to me that what we have been discussing, this idea that on your watch under President Biden's leadership, we would expand the winner's circle, kind of makes the point of really trade done right. Because if you can grow it at home, and make it at home, and add value to it at home—which so often helps to boost wages, which is hugely important in America—then you expand the winner's circle.

And that is what Senator Crapo and I are going to be doing in terms of leading this committee on the semiconductor issue. We have it in our States, and we have these companies that pay good wages, high-skill jobs, and I have companies that arguably are pure technology companies, that are ideally positioned, if government policies make sense, to capture even a greater space, particularly in what I call expanding the winner's circle.

Now, on the transparency issue, I want to give you a little bit of an insight into where we have been without chewing up a lot of time, because I think this is so important. You heard members on both sides of the committee talk about how we need more transparency.

So I have made this a calling card in my time in public service. I have had 970 open-to-everybody town hall meetings. No speeches. Just come in, people; ask anything you want.

And for years in the discussion of trade, people would say, "Ron, I don't know anything about this. I've been reading, and I can't figure out what this is all about."

And finally, there was a change to make sure that a trade agreement has to be public for at least 60 days before it is signed by the President. But I think so much more needs to be done to open this process up.

And what I would like to ask of you—and I realize that we have not gotten into it—could you and your people, and I say when you are confirmed, because I believe you will be confirmed, within say 30 days of your taking office, when I believe you are confirmed, could you get to the bipartisan leadership and share with members your ideas for the next steps on transparency?

Ms. TAI. I would be happy to.

The CHAIRMAN. Very good. And finally, I just want to end where we talk a little bit about you. You have been there, and you have done it all on these trade issues. I mean, rarely do we get somebody who is so experienced and savvy on the challenges. And you know you are going to have heavy lifting. You could spend your entire time just on China and do nothing else, because it is such a consequential relationship. Probably the only thing we have not touched on with respect to China—and Senator Crapo and I have talked about it—is the Chinese really regard economic security and national security as two sides of the same coin.

So we have some heavy lifting to do here. I think you are uniquely qualified. And I have enjoyed my time in public service, but I think one of the most enjoyable moments to come will be to go out on the floor of the United States Senate after you get a resounding vote of approval in this committee, with Senator Crapo, and we can in effect present your nomination to the whole Senate. And I look forward to that day very much. And I so appreciate the sweat equity that you put in to making it possible for your family to be here, and our special bond as first-generation immigrants.

Let me give the last word to my friend, Senator Crapo.

Senator CRAPO. Well, thank you, Senator Wyden. I will be brief. I again want to also thank you, Ms. Tai, for your willingness to serve, and spending your time here with us today to discuss your nomination.

I think that you have proven out what I suggested in my opening statement, that you have the training, the background, the experience, and the capabilities to do this job, and to do it well.

We all look forward to working with you to make sure the priorities that we have, and that we have shown that you share, are achieved, and that we not only show that trade is a bipartisan issue in Congress, but it is one where we can build a very strong, unified approach with the administration and move forward to significantly expand the opportunities for the American worker and American businesses in this country.

Thank you, very much.

The CHAIRMAN. One little bit of procedural work to do, and we will wrap up. Regarding questions for the record, the deadline for members of the committee to submit these questions will be tomorrow, Friday, February 26th, by 5 p.m. That 5 p.m. deadline is firm.

We want to thank everyone for their cooperation this morning, and particularly thank our nominee.

And with that, the Finance Committee is adjourned.

[Whereupon, at 1:23 p.m., the hearing was concluded.]



## APPENDIX

### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

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PREPARED STATEMENT OF HON. MIKE CRAPO,  
A U.S. SENATOR FROM IDAHO

WASHINGTON—U.S. Senator Mike Crapo (R-ID), ranking member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing to consider the nomination of Katherine Tai to be the United States Trade Representative.

Thank you, Mr. Chairman. Ms. Tai, welcome, and congratulations on your nomination.

The U.S. Trade Representative (USTR) is a very important position, where today's decisions will be felt for years to come. A successful trade policy means more high-paying jobs. We need these jobs more than ever if we are to emerge from this pandemic stronger than before. I know the importance of free trade very well. Idaho exports over \$4 billion in goods annually, including \$1.7 billion in computer and electronics products.

Remarkably, 85 percent of Idaho's exporters are businesses that employ fewer than 500 people. We cannot forget that. Free trade does not just strengthen the powerful; it empowers all Americans, including those running and working in smaller businesses. It does so for a simple reason: we sell high-quality goods and services that people around the world want.

We do not need to be intimidated by foreign competitors. Our market is already one of the most open in the world. Our problem is not about whether to open our market further; it is, in fact, that too many foreign markets remain closed to us. History demonstrates repeatedly that Americans do very well in foreign markets, if only given the chance—the chance to participate in an environment of fair trade.

For example, bringing down just some of Japan's agricultural barriers in the U.S.-Japan Phase 1 deal increased Idaho's agricultural exports by over a third. The importance of fair trade, and the price of it being denied, is also well understood by the people of Idaho.

Idaho is home to Micron Technology—a global leader in semiconductor technology. Chinese state-owned companies stole Micron's trade secrets in order to secure an unfair advantage. China's systematic theft of American innovation has been estimated to cost the United States nearly half a trillion dollars each year.

Idaho's softwood lumber producers face an uneven playing field against subsidized Canadian exports. We cannot let the 750,000 jobs in the lumber industry or the 420 million acres of family-owned timberlands be threatened by unfair subsidies.

Idaho's world-famous potatoes cannot be shipped more than 16 miles south of the Mexican border because of protectionism disguised as a safety measure. Potato farms, including Cranney Farms in Oakley, ID, gave away millions of potatoes last year because domestic customers dried up as a result of the pandemic.

Put plainly, the United States does not just lose potential opportunities when its leaders fail to engage appropriately on trade. Our businesses and workers lose ground here at home, in every State. This is why the United States needs an effective USTR to tear down trade barriers and confront abusive trade practices.

President Biden has nominated someone with extensive trade policy experience, including experience litigating major trade disputes against China. I look forward to hearing more from you, Ms. Tai, regarding how you would use your experience

to engage the numerous challenges facing the United States, if confirmed as USTR. Your experience no matter how extensive will go to waste if the Biden administration's approach to trade policy ends up being a "time out," as some officials have suggested.

In particular, I am referencing statements by administration officials who have asserted that the President will not sign any new trade agreements until he sees his domestic priorities achieved, including strengthening "Buy American" requirements in government purchasing. Ms. Tai, you must make the President understand that trade is a domestic priority for hundreds of millions of Americans.

I am happy to discuss "Buying American." However, our businesses and workers are ready to "Sell American" to all foreign customers—right now. While often said, it is worth repeating: most of the world's customers are outside of U.S. borders. Americans deserve to sell their products and need access to that huge foreign marketplace. Our businesses need that access more than ever, because other countries are not standing still.

The United Kingdom is the fifth largest economy in the world. And the UK is taking advantage of its newfound freedom from EU restrictions to aggressively negotiate its own new trade deals. Our special political relationship with the UK must now be complemented with a special economic relationship that will increase employment and output on both sides of the Atlantic.

It is not just our allies that are moving forward. Other countries are taking steps that may push us back even further if the United States is seen as standing still and not negotiating trade deals. Notably, China is moving forward with the Regional Comprehensive Economic Partnership or RCEP. It is arguably the largest free trade agreement in the world. Yet, the RCEP has weak rules on intellectual property and on protecting foreign investment. And the RCEP has no rules whatsoever on state-owned enterprises, labor rights, or environmental protection.

If the Biden administration wants a "worker-centered" trade policy, as it claims it does, then our USTR should ensure that the international trading regime strongly reflects American values rather than those of China's government.

In short, the need for an energetic and effective trade policy is more compelling than ever.

I expect Ms. Tai will well demonstrate in today's hearing that she has the requisite skill set to deliver as much. But the question is whether she will have the President's support to do so. I hope for America's sake, that she will.

Mr. Chairman, thank you for holding this hearing today. I look forward to hearing from Ms. Tai.

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PREPARED STATEMENT OF KATHERINE C. TAI, NOMINATED TO BE UNITED STATES TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. Chairman, Ranking Member Crapo, and members of the committee, thank you for the opportunity to appear before you today.

The chance to serve the American people, fight on their behalf, and represent them on the world stage once again will be the greatest honor of my life. It's a privilege I've experienced before at the Office of the United States Trade Representative—and a responsibility that, if confirmed, I look forward to embracing once again. I thank President Biden for providing me with this opportunity.

Serving as the top U.S. trade representative around the globe holds special resonance for me as the daughter of immigrants. My parents were born in mainland China, and grew up in Taiwan. The immigration reforms set in motion by President Kennedy opened a path for them to come here as graduate students in the sciences. And they made the most of their American opportunity.

My dad became a researcher at the Walter Reed Army Institute of Research. He helped the Army develop treatments for illnesses that had debilitated GIs during the Vietnam War—the war in which my father-in-law fought bravely as a young man.

My mom still works at the National Institutes of Health. She heads a clinical trials network, developing treatments for opioid addiction that will help to stem an epidemic causing so much suffering in our communities.



I am proud of their service to the Nation that welcomed them. And I am proud to live in a country where, in just one generation, their daughter could grow up to represent the United States and our interests around the globe. That sense of pride and patriotism will ground me every day if I have the honor to be confirmed as United States Trade Representative. I know that the challenges ahead are significant.

Our first priority will be to help American communities emerge from the pandemic and economic crisis. USTR has an important role to play in that effort. Working with Congress, the entire Biden-Harris administration, and other countries and trusted partners, USTR will help to build out strong supply chains that will get our economy back on track.

In the longer term, we must pursue trade policies that advance the interests of all Americans—policies that recognize that people are workers and wage earners, not just consumers; policies that promote broad, equitable growth here at home; policies that support American innovation and enhance our competitive edge.

That's why I will make it a priority to implement and enforce the renewed terms of our trade relationship with Canada and Mexico. Too often in the past, Congress and the administration came together to finalize and pass a trade agreement, but then other urgent matters arose, and we all moved on. The United States-Mexico-Canada Agreement (USMCA) is a uniquely bipartisan accomplishment that must break that trend. It represents an important step in reforming our approach to trade. We must all continue to prioritize its implementation and success. We must continue to pursue trade policies that are ambitious in achieving robust, bipartisan support.

I will also prioritize rebuilding our international alliances and partnerships, and reengaging with international institutions. We must do the hard work, and secure the necessary reforms that allow the world to come together and address common threats like climate change, the COVID pandemic, and a global economic downturn. That duty of leadership extends, of course, to addressing the challenges posed by China.

I previously served as America's chief enforcer against China's unfair trade practices. I know firsthand how critically important it is that we have a strategic and coherent plan for holding China accountable to its promises and effectively competing with its model of state-directed economics. I know the opportunities and limitations in our existing toolbox, and I know how important it is to build what the President has termed "a united front of U.S. allies." We must recommit to working relentlessly with others to promote and defend our shared values of freedom, democracy, truth, and opportunity in a just society.

China is simultaneously a rival, a trade partner, and an outsized player whose cooperation we'll also need to address certain global challenges. We must remember how to walk, chew gum, and play chess at the same time. That means here at home, we must prioritize resilience and make the investments in our people and our infrastructure to harness our potential, boost our competitiveness, and build a more inclusive prosperity. We must also impart the values and rules that guide global commerce—and we must enforce those terms vigorously.

This is work I am eager to take on once more. Having spent my career fighting for American workers, I am honored by the opportunity to work alongside the bright and dedicated public servants at USTR, with our partners and allies, and with each of you. Having served nearly 7 years in the House of Representatives, I know that U.S. trade policy is most successful when it is conducted through a healthy partnership between the administration and the Congress.

I look forward to bringing our trade relationships to bear, helping American communities emerge out of crisis and into greater prosperity. And I look forward to answering your questions.

Thank you.

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

**A. BIOGRAPHICAL INFORMATION**

1. Name (include any former names used): Katherine Chi Tai.
2. Position to which nominated: U.S. Trade Representative.
3. Date of nomination: December 10, 2020 (date of announcement of nomination).
4. Address (list current residence, office, and mailing addresses):
5. Date and place of birth: March 18, 1974; New Haven, CT.
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list all secondary and higher education institutions, dates attended, degree received, and date degree granted):  
 Harvard Law School, 1998–2001, JD May 2001.  
 Yale University, 1992–1996, BA May 1996.  
 Sidwell Friends School, 1983–1992, diploma June 1992.
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 for each job):
  - May 2014–present: U.S. House of Representatives, Committee on Ways and Means, Washington, DC.
    - January 2019–present: Majority Chief Trade Counsel, Trade Subcommittee Staff Director. Responsibilities: Lead advisor to the chairman and Trade Subcommittee chairman on all trade-related legal and policy matters.
    - July 2017–December 2018: Chief Trade Counsel, Democratic Staff. Responsibilities: Lead advisor to the ranking member and Trade Subcommittee ranking member on all trade-related legal and policy matters.
    - May 2014–July 2017: Trade Counsel, Democratic Staff. Responsibilities: Provided counsel and advice to the ranking member and Democratic committee members as trade staff lead on the Trump administration's NAFTA renegotiation and the Obama administration's Trans-Pacific Partnership (TPP) negotiation; trade enforcement and dispute settlement; and the intersection of trade and worker and environmental standards and protections.
  - August 2007–May 2014: Office of the U.S. Trade Representative, Office of the General Counsel, Washington, DC.
    - May 2011–May 2014: Chief Counsel for China Trade Enforcement. Responsibilities: Developed and managed legal strategy, including investigation and litigation, of U.S.-China disputes at the World Trade Organization (WTO), coordinating within USTR and between agencies, with U.S. stakeholders and WTO member countries and organizations. Provided legal analysis, advice, and support to USTR's China Affairs Office.
    - August 2007–May 2011: Associate General Counsel. Responsibilities: Served as lead lawyer and litigator on behalf of the United States in WTO disputes. Provided legal advice and support to USTR negotiators on WTO and other international trade rules.
  - August 2006–August 2007: Baker and McKenzie LLP, Washington, DC.
    - Associate. Responsibilities: Counseled clients on compliance with the Foreign Corrupt Practices Act and U.S. export controls and economic sanctions regulations. Managed internal compliance investigations.
  - November 2004–August 2006: Miller and Chevalier Chartered, Washington, DC.

- Senior associate. Responsibilities: Counseled clients on compliance with the Foreign Corrupt Practices Act and U.S. export controls and economic sanctions regulations. Managed internal compliance investigations. Prepared memoranda and briefs in section 337 intellectual property litigation. Conducted research and drafted memoranda on government contracts law.
  - September 2003–September 2004: U.S. District Court for the District of Columbia.
    - Law Clerk to the Hon. John D. Bates. Responsibilities: Researched and composed draft judicial opinions on dispositive motions in civil cases arising under all areas of Federal and State law.
  - August 2002–August 2003: U.S. District Court for the District of Maryland, Greenbelt, MD.
    - Law Clerk to the Hon. Deborah K. Chasanow. Responsibilities: Researched and composed draft judicial opinions on dispositive motions in civil cases arising under all areas of Federal and State law.
  - May 2002–August 2002: Sidley Austin Brown and Wood LLP, Washington, DC.
    - Associate. Responsibilities: Conducted research and analysis in providing advice regarding U.S. investment treaty and WTO commitments.
  - October 2001–May 2002: Powell Goldstein Frazer and Murphy, Washington, DC.
    - Associate. Responsibilities: Conducted research and analysis in providing advice regarding U.S. investment treaty and WTO commitments.
  - January–May 2001: Harvard University, Faculty of Arts and Sciences, Cambridge, MA.
    - Teaching fellow, Foreign Cultures 48: “The Chinese Cultural Revolution” (Prof. Roderick MacFarquhar). Responsibilities: Led post-lecture discussion groups with undergraduates, graded papers and exams, held office hours.
  - July–August 2000: Dewey Ballantine, New York, NY.
    - Summer associate. Responsibilities: Researched and drafted memoranda on corporate and ERISA law.
  - May–July 2000: Covington and Burling, Washington, DC.
    - Summer associate. Responsibilities: Researched and drafted memoranda on e-commerce, antitrust law.
  - May–August 1999: Department of Justice, Office of Overseas Prosecutorial Development, Assistance, and Training (OPDAT), Washington, DC.
    - Summer intern (unpaid). Responsibilities: Researched and drafted memoranda, compiled briefing books.
  - June/July 1999: Harvard Program on Negotiation, Cambridge, MA.
    - Teaching assistant. Responsibilities: Co-led breakout, discussion, and practice groups of participants in two-week executive training program on negotiation at Harvard Law School.
  - August 1996–August 1998: Yale-China Association, New Haven, CT.
    - Teaching fellow at Lingnan (University) College, Sun Yat-Sen University, Guangzhou, Guangdong, China. Responsibilities: Designed and taught English language courses for 3rd- and 4th-year undergraduate international business and finance majors.
  - June–August 1996: American Enterprise Institute, Washington, DC.
    - Summer intern (unpaid). Responsibilities: Provided research assistance to economists Herb Stein and Murray Foss.
10. Government experience (list any current and former advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments held since college, including dates, other than those listed above):  
N/A.
11. Business relationships (list all current and former positions held as an officer, director, trustee, partner (*e.g.*, limited partner, non-voting, etc.), proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

Trustee, Yale-China Association, New Haven, CT: 2000–2006; 2007–2013.

12. Memberships (list all current and former memberships, as well as any current and former offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations dating back to college, including dates for these memberships and offices):

Maryland State Bar Association: member since 2001.

DC Bar: member since 2002.

Women in International Trade: member from June 2017–July 2019.

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate dating back to the age of 18.

N/A.

- b. List all memberships and offices held in and services rendered to all political parties or election committees, currently and during the last 10 years prior to the date of your nomination.

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 prior to the date of your nomination.

Cycle	Date	Recipient	Amount
2019–2020		Joseph R. Biden, Jr.	\$350
	09/08/2020		\$100
	08/10/2020		\$250
2019–2020		Jaime Harrison	\$350
	09/19/2020		\$250
	07/18/2019		\$100
2019–2020	09/19/2020	Gina Ortiz Jones	\$250
2019–2020	09/26/2020	Dr. Cameron Webb	\$100
2019–2020	09/26/2020	Desiree Tims	\$100
2019–2020	09/19/2020	Theresa Greenfield	\$100
2019–2020	09/19/2020	Betsy Dirksen Landrigan	\$100
2019–2020	08/21/2020	Kate Schroder	\$50
2017–2018	09/16/2018	Elissa Slotkin	\$400
2017–2018		Julia Brownley	\$239
	09/16/2018		\$25
	12/28/2017		\$214
2017–2018		Cheri Bustos	\$239
	09/16/2018		\$25
	12/28/2017		\$214
2017–2018		Annie Kuster	\$239

Cycle	Date	Recipient	Amount
	09/16/2018		\$25
	12/28/2017		\$214
2017–2018		Stephanie Murphy	\$239
	09/16/2020		\$25
	12/28/2017		\$214
2017–2018	09/16/2018	Betsy Dirksen Londrigan	\$200
2017–2018	09/16/2018	Katie Porter	\$200
2017–2018	09/16/2018	Gina Ortiz Jones	\$200
2017–2018	09/16/2018	Haley Stevens	\$200
2017–2018	09/16/2018	Amy McGrath	\$200
2017–2018	04/30/2018	Sister District Project	\$50
2017–2018	12/28/2017	Suzan DelBene	\$214
2017–2018	12/28/2017	Jacky Rosen	\$214
2017–2018	12/28/2017	Elizabeth Esty	\$214
2017–2018		Erik Jones	\$125
	12/28/2017		\$25
	07/30/2017		\$100
2017–2018	06/12/2017	Kathleen Clyde	\$50
2016–2017	12/06/2016	Justin Fairfax	\$100
2015–2016	10/10/2016	Hillary Clinton	\$250
2011–2012	06/19/2012	John Daniel Couriel	\$500

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 received since the age of 18):

National Latin Exam Scholarship, 1992. Small award for continued study of Latin in college, freshman year.

USTR Agency Award for Extraordinary Performance for the successful prosecution of the China—Raw Materials and China—Rare Earths WTO case, 2013.

15. Published writings (list the titles, publishers, dates, and hyperlinks (as applicable) of all books, articles, reports, blog posts, or other published materials you have written):

*The New York Times*, Letter to the Editor, “Marriage, Any Style,” re: Ellen Fein and Sherrie Schneider’s Op-Ed about the television show “Who Wants to Marry a Millionaire?”, February 21, 2000 (<https://www.nytimes.com/2000/02/21/opinion/l-marriage-any-style-893102.html?searchResultPosition=2>).

*The Yale-China Review*, “Deng’s Death: the End of One Countdown,” Spring 1997: Volume 5, Number 1, Special Issue on Hong Kong.

*Yale Daily News*, Commencement edition, A Senior’s Perspective, “Four Course Groups Leave Education Incomplete,” May 27, 1996.

*Yale Daily News*, The Misanthrope column, fall 1995: “America Writes New Fairytales From News Stories,” October 18, 1995; “Golden Arches Stretch

Across the World,” November 1, 1995; “Today’s Politics Faces a Paradox of Values,” November 15, 1995.

*The New Republic*, Letter to the Editor, “Ringling Twice,” re: Stanley Kaufman’s review of the movie “The Postman,” August 7, 1995.

*The Yale Herald*, The Misanthrope column, spring 1993–spring 1995 (dates included where known): “The Shopping Affliction;” “Sleep No More,” September 23, 1994; “The Correspondence,” October 7, 1994; “A-ha!” January 20, 1995; “School Days,” February 3, 1995; “Babette’s Feast;” “Miller’s Mystique;” “The Geniuses of IQ;” “The Tonya Story;” “Playing House;” “Asclepian Aspiration;” “Upperclass Life;” “The Campus Cults;” “Save the Group IV Major;” and “Kindergarten Sentiments.”

16. Speeches (list all formal speeches and presentations (*e.g.*, PowerPoint) you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated, including dates):

January 12, 2021: Opening Remarks at National Foreign Trade Council (NFTC) Virtual Conference and Awards Ceremony, <https://buildbackbetter.gov/speeches/keynote-remarks-as-prepared-for-delivery-by-ustr-designate-katherine-tai-at-the-national-foreign-trade-council-foundation-virtual-conference-and-awards-ceremony/>.

December 11, 2020: Intended Nominee of President-elect Biden for U.S. Trade Representative, remarks, <https://www.youtube.com/watch?v=2aTwwgMgpdQ>.

October 13, 2020: Panelist, Center for the Advancement of the Rule of Law in the Americas (CAROLA), Georgetown Law, “The New Labor Regime under USMCA,” <https://www.youtube.com/watch?v=hTP8ToO-QuO>.

September 2, 2020: Panelist, American Society of International Law (ASIL), “International Law and the 2020 Presidential Election Session Two: Engaging the Global Economy: International Law, Trade, and Investment,” <https://www.asil.org/events/engaging-global-economy-international-law-trade-investment>.

August 5, 2020. Panelist, Center for American Progress, “Progressive Visions for Trade,” <https://www.americanprogress.org/events/2020/07/30/488355/progressive-visions-trade/>.

March 28, 2018: Panelist, Center for Strategic and International Studies, “Defending Intellectual Property: Is Section 337 the Right Answer?,” <https://www.csis.org/events/defending-intellectual-property-section-337-right-answer>.

March 7, 2017: MIT-Harvard International Conference on Cyber Norms. Closed-door, off-the-record panel presentation on “Strategic Implications of China’s Emergence as a Global Player in ICT Industries.” Powerpoint presentation on “China’s Commercial Policy Aspirations, Seen Through U.S. Trade Challenges” attached.

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

The U.S. Trade Representative is responsible for leading the development and coordination of U.S. trade policy and conducting international trade and trade-related investment negotiations. The U.S. Trade Representative is also authorized to set U.S. policy on key trade issues, including the assertion and protection of the rights of the United States under all bilateral and multilateral international trade and commodity agreements. In addition to being the principal advisor to and spokesperson for the President on trade policy, the U.S. Trade Representative and the Office of the U.S. Trade Representative were created by Congress to be directly accountable to both the President and the U.S. Congress.

I have spent the past 13 years working in U.S. trade law and policy for the U.S. Government, grappling with some of the biggest challenges and seeking to harness some of the greatest opportunities presented internationally and domestically. From 2007 to 2014, I worked at the Office of the U.S. Trade Representative in the General Counsel’s office, primarily as a litigator enforcing U.S. trade agreement rights at the World Trade Organization (WTO). From 2011 to 2014, as Chief Counsel for China Trade Enforcement, it was my job to lead the development of strategies and viable cases against China at the WTO, working in

concert with other WTO members like the European Union and others, whenever possible.

In 2014, I left the Office of the U.S. Trade Representative for the U.S. Congress. I joined the staff of the House Ways and Means Committee, initially as trade counsel, becoming Chief Trade Counsel for the Democratic staff in 2017 and Trade Subcommittee Staff Director in 2019. Over these 6½ years, I have engaged in trade policy oversight and trade negotiations consultations with two different administrations (including for the Trans-Pacific Partnership, the Transatlantic Trade and Investment Partnership, and the renegotiation of the North American Free Trade Agreement), alongside Democratic and Republican colleagues serving members from both the House Ways and Means and Senate Finance Committees.

My experiences span both trade enforcement and trade negotiations, on behalf of both the U.S. executive branch and the U.S. Congress. These are the qualifications that have prepared me to assume the responsibilities of the U.S. Trade Representatives, at this time in our history, to chart a course for a trade policy and a vision for the future that serves the interests of the United States and the American people in a changing and increasingly challenging global economic environment.

#### **B. FUTURE EMPLOYMENT RELATIONSHIPS**

1. Will you sever all connections (including participation in future benefit arrangements) 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 current and former investments, obligations, liabilities, or other personal relationships, including spousal or family employment, 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 Office of the Designated Ethics Official of the Office of the U.S. Trade Representative to identify any potential conflicts of interest. Any conflict of interest will be resolved according to the terms of an ethics agreement I am entering into with the Office of the U.S. Trade Representative and that will be provided to this committee.

2. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years (prior to the date of your nomination), 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.

N/A; I have been employed by the U.S. Government during the last 10 years.

3. Describe any activity during the past 10 years (prior to the date of your nomination) 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.

N/A.

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

Any conflict of interest will be resolved according to the terms of an ethics agreement I am entering into with the Office of the U.S. Trade Representative and that will be provided to this committee. In the event that an actual or potential conflict of interest arises during my appointment, I will consult with the Office of the U.S. Trade Representative's Designated Agency Ethics Official and take the measures necessary to resolve the conflict.

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 at any time in any capacity? 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.

Yes.

Entity: Taiwan Economic and Cultural Representative's Office (TECRO).

Description of work: I was an associate at Miller and Chevalier, a law firm that had an engagement with TECRO. As part of my work at Miller Chevalier, I completed one assignment that required creating a table summarizing trade-related U.S. legislation. I did not supervise any work relating to TECRO. The assignment did not relate to any specific trade negotiation or trade dispute with the United States.

Time frame: Sometime between November 2004 and March 1, 2005.

Number of hours worked: 8.

#### **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 (*e.g.*, an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? If so, provide details, regardless of the outcome.

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? Have you ever been interviewed regarding your own conduct as part of any such inquiry or investigation? 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.

Yes. I am named on the caption of a complaint brought by my mother on behalf of my father's estate against the United States of America, through the Walter Reed National Military Medical Center. I am named as a plaintiff since I am an heir. The complaint is filed with the U.S. District Court for the District of Maryland (Ref.: *Tai et al v. United States of America*, 8:20-cv 03680-PJM).

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.

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ATTACHMENT

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**China's Commercial Policy Aspirations,  
Seen Through U.S. Trade Challenges**  
And What They Mean for China's Cyber Aspirations



**Policy: Ascending the Value Chain**

High Value Products



Raw Material, Low Grade Inputs

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**Policy: Building a Global Reputation**

Famous Brands



Generic, Unknown Goods

---

**Policy: Establishing Chinese Alternatives**

Dominant Chinese Player (State Champion)  
Dominant Chinese Products



Dominant Players, Products Are All Non-Chinese

---

**Policy Tools**

Ascending the Value Chain  
High Value Products



Raw Material, Low Grade  
Inputs

Export Restraints, *e.g.*:

- Export Quotas
  - Export Duties
  - Licensing Restrictions
-

## **Policy Tools**

Building a Global Reputation

Famous Brands



Generic, Unknown Goods

Export Subsidies, *e.g.*:

- Grants
- Loans
- Tax Incentives

Made available on condition of exportation  
or based on export performance

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### **Policy Tools**

Establishing Chinese Alternatives

Dominant Chinese Player (State Champion)

Dominant Chinese Products



Dominant Players, Products Are All Non-Chinese

- Restrictions on Non-Chinese Participation in the Market
  - Procurement restrictions
- Subsidies, financial support

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### **Other Policy Tools**

- Restrictions on Non-Chinese Investment
  - Acquisition of Technology, Knowledge (Voluntary, Forced, “Stealth”)
    - “Soft” Rules and Requirements
  - Threats and Acts of Retaliation or Retribution
-

### **Other Policy Considerations Recognized by Trade Rules**

- Cultural, Moral Requirements
    - Public Health and Safety
    - Environmental Protection
  - Conservation of Natural Resources
  - Short Supply or Other Critical Shock
    - National Security
- 

### **Cyber-Trade Nexus**



- Policy Goals
  - Policy Tools
  - Policy Concerns
-

## QUESTIONS SUBMITTED FOR THE RECORD TO KATHERINE C. TAI

## QUESTIONS SUBMITTED BY HON. RON WYDEN

## WORKER-FOCUSED TRADE AGENDA

*Question.* It is critical that we make trade policy work for American families. Workers here at home must see the benefits of our trade deals.

President Biden has said he wants to reorient trade policy to better serve American workers. This will include advancing a rules-based trading system that serves the interests of American workers and promotes high standards on labor, the environment, human rights, and the rule of law.

How do you intend to promote a trade agenda that will better serve American workers—whether in our domestic policies, in our free trade agreements (FTAs), or at the WTO?

*Answer.* A worker-centered trade policy starts by ensuring workers have a seat at the table when crafting trade policy. In addition to consulting with workers and worker advocates, if confirmed, I will seek to determine the impact of trade policies on workers' wages and economic security and take that impact into account as we develop new policy. Finally, if confirmed, I will pursue a trade policy that is consistent with President Biden's Build Back Better agenda, and invests in American workers by promoting American innovation, incentivizes domestic manufacturing, and strengthens U.S. supply chain resilience.

## BOEING/AIRBUS DISPUTE

*Question.* As a longtime trade professional, you're well-aware of the history of the Boeing/Airbus dispute, a case that has spanned well over a decade. At the end of the WTO process, American businesses continue to be in an untenable position. The Europeans are continuing to subsidize Airbus to the detriment of U.S. competitors, while small American businesses—already suffering from COVID-related challenges—are facing extra tariffs on a variety of European products.

The Boeing/Airbus dispute is just one "trade irritant" between the United States and Europe. There are numerous others—including digital services taxes, biotech authorization processes that aren't based on science, and protectionist policies in standards development.

What's going to change under the Biden administration—and a USTR Tai—to ensure that Washington and Brussels can bring this dispute to a meaningful and timely conclusion? And ultimately, what would a positive outcome look like?

*Answer.* The Boeing/Airbus WTO litigation has been ongoing for more than 15 years. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field.

## WTO REFORM

*Question.* It was not always clear that the previous administration saw the value in the WTO. In contrast, the Biden administration has pledged to work with our allies and reengage in multilateral institutions like the WTO.

That said, there has been bipartisan agreement that the WTO is in need of reform. There are numerous issues with the institution—from the lack of meaningful negotiations, to failure to comply with notification and transparency requirements, to ongoing concerns regarding the Appellate Body.

Where do you recommend the United States start in restoring the WTO to a functioning and useful institution?

*Answer.* If confirmed, I will work to reengage with like-minded partners who similarly recognize the importance and necessity of WTO reform. Since the founding of the General Agreement on Tariffs and Trade (GATT) in 1947, U.S. leadership has been critical at every juncture when the global trade system has required a major update. This will be difficult work that may take some time, but I remain hopeful that with proper U.S. leadership, we can achieve the necessary reforms.

*Question.* How can the United States support the incoming Director General, Dr. Okonjo-Iweala, in building consensus and ultimately ensuring that the WTO makes the needed reforms?

Answer. If confirmed, I will work closely with Dr. Okonjo-Iweala, following her own historic appointment, to tackle these challenges in a practical and constructive manner. Dr. Okonjo-Iweala brings a wealth of knowledge from her 25 years of experience at the World Bank and her two terms as Nigeria's Finance Minister. She is widely respected for her leadership and management skills. The U.S. stands ready to assist her in building the consensus required to achieve the much-needed reforms.

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QUESTIONS SUBMITTED BY HON. MIKE CRAPO

*Question.* USMCA includes a number of groundbreaking commitments for a U.S. trade agreement. Unfortunately, it appears Mexico is taking a number of steps in the wrong direction. In agriculture, Mexico is maintaining or enacting new restrictions on U.S. agriculture that lack any scientific justification, including on potatoes, biotech crops, and glyphosate. In the energy industry, Mexico seems to be discriminating against U.S. businesses to favor state-owned PEMEX.

If confirmed, would you use all the tools available under USMCA, including dispute settlement, if we do not see progress on these issues in the next few months?

Answer. If confirmed, I will review the reports of discriminatory action against U.S. agriculture and in Mexico's energy sector that you have highlighted, and I will consult with stakeholders and Congress on these issues. I commit to quickly engage the Mexican government if it violates the agreement and to use all dispute settlement tools to fully enforce USMCA whenever necessary.

*Question.* America's innovative industries are second to none. From creative content to digital commerce to pharmaceutical research, America's innovators are what have gotten us through the pandemic—and will get us out of it. We need to preserve our leadership in this field. To that end, I want to ask two specific questions.

The USTR Special 301 report is anticipated to be released in April. This congressionally mandated report is intended to assess whether trading partners provide effective IP protection.

Do you agree that the focus of the report must to be call out countries and practices that injure Americans interests rather than more abstractly address what IP measures may benefit the interests of our trading partners.

Answer. The Special 301 process is among the critical tools in USTR's toolbox to monitor our trading partners' intellectual property practices. If confirmed, I will focus on leveraging Special 301 to resolve practices that harm America's innovators.

*Question.* Would you support the appointment of a Chief Innovation and Intellectual Property Negotiator at USTR?

Answer. If confirmed, I will consult with this committee and Congress on its intentions when it created that position, and more broadly, your views on how USTR can best accomplish our shared goal of ensuring that our trade agreements benefit American innovators.

*Question.* USMCA curtailed the ability of American citizens to have recourse to investor-state dispute settlement. The Senate Finance Committee's report on the USMCA Implementation Act raised serious concerns about that curtailment.

With respect to ISDS, it provides recourse in a particularly challenging situation: when a U.S. citizen has been wronged by a foreign government, and would like to be heard in a forum other than courts controlled by that government. In this respect, ISDS has often been claimed to further the rule of law by removing incentives for corruption and politicization of courts. Finally, TPA 2015 contained a negotiating objective related to investment that, among other things, required the administration to seek "to improve mechanisms used to resolve disputes between an investor and a government." Accordingly, the committee is of the view that the approach to ISDS in USMCA raises concerns.

If confirmed, would you be willing to be a champion for these Americans by undertaking state-to-state dispute settlement on their behalf and follow TPA's instruction to improve mechanisms to resolve disputes between an investor and government?

Answer. President Biden has stated that he does not believe corporations should get special tribunals in trade agreements that are not available to other organizations. He opposes the ability of private corporations to attack labor, health, and en-



vironmental policies through investor-state dispute settlement. If confirmed, I will pursue a trade agenda consistent with the Biden-Harris administration's Build Back Better agenda.

*Question.* I have concerns about the power of technology companies. However, I am concerned that the EU is using such concerns as a fig-leaf for discriminatory measures against U.S. businesses, including unreasonable digital services taxes or through measures that appear to target American companies in particular, like the Digital Services Act.

Are you willing to aggressively challenge these types of measures whether through use of section 301 or through WTO dispute settlement?

*Answer.* The previous administration started section 301 investigations in response to the digital service taxes introduced by a number of countries, but it then suspended the introduction or implementation of specific remedies to allow time for negotiations. If confirmed, I will review the status of those actions and will work with my colleagues at the Treasury Department to address digital services taxes as part of the multilateral effort to address base erosion and profit shifting through the OECD/G20 process.

*Question.* I am deeply concerned about the impact of subsidized and dumped Canadian lumber imports on American businesses and jobs. Canada has been engaged in a total war style of litigation to force us to settle.

Can you commit me to me that if confirmed, you will aggressive defend our trade remedy measures on Canadian lumber, including by allocating whatever resources are necessary to mount a successful defense?

*Answer.* The Department of Commerce and U.S. International Trade Commission have repeatedly found that the U.S. lumber industry is harmed by Canadian subsidies and unfair trade practices. If confirmed, I commit to working with other agencies and departments to ensure that U.S. trade laws and remedies are employed to counter unfair trade practices and to aggressively defending those laws.

*Question.* A number of exclusions from section 301 tariffs expire soon, including on personal protective equipment. The need for such equipment is not going away anytime soon. Moreover, the pandemic has made it more difficult for many companies to relocate supply chains.

Considering that one of the criteria for granting an exclusion was severe economic harm, are you willing to support extending exclusions currently in force until the end of the year; restoring exclusions that have expired, with retroactive relief for import duties the recipients have had to pay since the exclusion expired; and reopen the process for companies to apply again for exclusions based on unanticipated challenges they are facing as a result of the pandemic?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. During the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974, and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices; account for their impact on U.S. businesses, workers and consumers; and support the U.S. response to the COVID-19 pandemic.

*Question.* What is the status of negotiations with Mexico to improve access for U.S. potatoes, ensure timely approval of biotech crops, avoid implementation of a ban on glyphosate, and stop discrimination of U.S. firms participating in Mexico's energy sector?

If negotiations do not result in progress soon, are you willing to undertake dispute settlement?

*Answer.* If confirmed, I will review Mexico's compliance with its USMCA obligations with respect to U.S. agricultural imports and in the energy sector and the status of any discussions to obtain that compliance. I commit to fully enforcing the USMCA.

*Question.* What is the status of the USMCA dispute with Canada concerning dairy tariff-rate quotas? Will you continue the dispute?

**Answer.** I understand the important gains that were secured in the USMCA for U.S. dairy producers. At the end of last year, the previous administration requested consultations with Canada regarding its allocation of tariff-rate quotas. If confirmed, I will review the status of this dispute and will use the tools available to USTR to ensure that our dairy producers benefit from the USMCA.

**Question.** Please provide a breakdown of how the trade enforcement trust fund was utilized in the last fiscal year, including by reference to particular enforcement action.

**Answer.** If confirmed, I will work to provide you with the requested information about the trade enforcement trust fund.

**Question.** WTO reform is of great interest to many members of this committee. In particular, there are bipartisan concerns about overreach by the WTO Appellate Body. While I see some utility in second-level review, we need to ensure reforms that stop activism by the Appellate Body, including through rulings that have undercut our trade remedy laws and environmental conservation measures.

What are some concrete reforms that you think are necessary to ensure the Appellate Body operates as intended?

**Answer.** Over the years, the Appellate Body has overstepped its authority and erred in interpreting WTO agreements in a number of cases, to the detriment of the United States and other WTO members. In addition, the Appellate Body has failed to follow existing rules created to ensure that disputes are resolved in a timely manner. Reforms are needed to ensure that the underlying causes of such problems do not resurface and that the Appellate Body does not diminish the rights and obligations of WTO members.

**Question.** I am deeply concerned by various statements suggesting European Union officials are adopting a set of discriminatory measures targeting successful U.S. technology firms. For example, EU officials have been reported as stating that they are targeting a “hit list” of U.S. technology companies. The French Finance Minister states that he is building a “new empire” of European industrial powerhouses to resist American rivals. Other officials indicate that EU digital sovereignty “is as much about the United States as it is about China.” This discriminatory rhetoric is reflected in the proposed Digital Markets Act and other new regulations that target U.S. tech companies while intentionally shielding EU digital and non-digital competitors from scope.

As USTR, how will you fight back against EU efforts to set the regulatory playbook for the world and to discriminate against U.S. tech exports?

**Answer.** If confirmed, I will use a wide range of trade tools to address discriminatory practices that hinder U.S. workers and firms, including practices that discriminate against U.S. digital and technology exports.

**Question.** I am deeply concerned about data localization requirements. The European Union appears to be invoking privacy concerns in the WTO e-commerce negotiations as an excuse to allow it to engage in protectionist practices with respect to data.

Do you agree that that United States should not accept the EU’s proposed exception to allow countries to engage in data localization?

**Answer.** To participate in today’s global economy, U.S. companies need the ability to access networks, transfer data and use secure data centers of their choice. If confirmed, I commit to using the tools at my disposal to ensure that American workers and innovators are able to compete effectively abroad.

**Question.** The innovation of American pharmaceutical firms is what may ultimately lead us out of the pandemic. Accordingly, many are dismayed that the provision to provide regulatory data protection for biologic drugs was stripped from USMCA—especially since the term of regulatory data protection in U.S. law passed with overwhelming support.

Do you agree that our trade agreements need to include provisions to ensure the innovations of America’s pharmaceutical firms are properly protected?

**Answer.** America’s world-class pharmaceutical industry plays an important role in ensuring our health security. Proper protection of American pharmaceutical innovation is absolutely vital for ensuring the competitiveness of the industry. If confirmed, I commit to examining what provisions are appropriate and necessary to safeguard American innovation in each trade agreement.

*Question.* One of your responsibilities will be overseeing the public interest review process for section 337 orders issued by the U.S. International Trade Commission (ITC)—an agency noted for both its objectiveness and thoroughness. The ability to restrict infringing imports through section 337 is a key cornerstone of U.S. intellectual property rights (IPR) protection. Given the bipartisan concerns regarding theft of U.S. intellectual property, this is no time to weaken section 337 and no time to send a signal to our trading partners that we are weak on IPR protections.

Can you confirm whether you agree that disapproval of section 337 orders should only occur in exceedingly rare circumstances?"

*Answer.* Under section 337, the President is required to engage in a policy evaluation of the ITC's determination to issue exclusion and cease and desist orders. This authority is assigned to the USTR. If confirmed, I commit to reviewing ITC orders in line with the relevant policy considerations as envisioned by Congress and as outlined in the legislative history of section 337.

*Question.* The Trump administration was right to confront China's rampant theft of U.S. intellectual property, and its failure to provide adequate market access to American businesses.

Do you believe the United States should continue to address these concerns by pursuing a Phase 2 deal with China?

*Answer.* The Biden-Harris administration is engaged in a review of the policies in place to respond to China's coercive and unfair trade practices, including the problems that you have noted. I understand that a comprehensive strategy to confront the China challenge will be formulated based on that review. If confirmed, I intend to explore every possible option available to address our longstanding concerns with China's intellectual property theft and inadequate market access.

*Question.* China is moving forward with enhanced market access in the Asia-Pacific region through the Regional Comprehensive Economic Partnership. It is vital that we engage with this part of the world so America writes the rules rather than China.

How do you plan to strengthen our economic relations with countries in the Asia-Pacific region, including those that are members of the Comprehensive and Progressive Trans-Pacific Partnership?

*Answer.* America's economic and national security is strongest when we work with our allies. It is critical that the United States engage in various regional initiatives to forge rules and norms that reflect our values, particularly in the fast-growing Asia-Pacific region. If confirmed, I will make engagement with the Asia-Pacific region a priority.

*Question.* The USTR Chief Agricultural Negotiator in my view should be someone who has experience with negotiations for agricultural market access, including a strong understanding of sanitary and phytosanitary (SPS) issues. Do you agree?

*Answer.* Yes.

*Question.* I am concerned about including the type of platform immunity reflected in section 230 of the Communications Decency Act (CDA 230) in our trade agreements. The Internet today is very different from when Congress passed CDA 230, and accordingly a number of bills have been introduced on both sides of the aisle to reform CDA 230. I have concerns that Congress's hands will be tied if we include this type of commitment in our trade agreements.

Please provide your views on whether we should include provisions that reflect CDA 230 type immunity in our trade agreements.

*Answer.* There are a wide variety of views on this issue, and I commit to consulting with the relevant stakeholders, including Congress, on this and other provisions of our trade agreements.

*Question.* The Miscellaneous Tariff Bill (MTB) was not reauthorized last year. This hurts our manufacturers who rely on various inputs covered by the tariff relief in the bill.

Do you agree that we need to provide the type of tariff relief provided for in the MTB; the process for determining which goods should be covered by the MTB should be objective and transparent; and that the process for the International Trade Commission to evaluate petitions for inclusion in the MTB has been a major improvement in developing the MTB?

Answer. If confirmed, I commit to working closely with Congress on renewal of the Miscellaneous Tariff Bill.

*Question.* What thoughts do you have on the U.S.-Israel economic relationship and potential avenues to expand this crucial partnership? I would be particularly interested in your views concerning a successor Agreement on Trade in Agricultural Products.

Answer. The U.S.-Israel economic relationship is one of our Nation's strongest. If confirmed, I look forward to working with your office to identify agricultural products that could benefit from expanded trade between the two countries.

*Question.* Article 1, section 8 of the U.S. Constitution vests authority over trade with Congress.

Do you agree that the U.S. Trade Representative should not table any potential text for a trade agreement without providing it to this committee first, even if the administration does not intend to submit the agreement for congressional approval?

Answer. If confirmed, I commit to close consultations with the Senate Finance Committee on trade negotiations. I will work closely with the committee to identify ways to improve the flow of information in the development of trade policy.

*Question.* Not only does the U.S. Constitution provide Congress authority over trade, the treaty clause provides that all treaties must be approved by the U.S. Senate. I am concerned by rumors that the administration may try to indirectly bind the United States to treaties the Senate has not confirmed by amending existing trade agreements to mandate the parties abide by various international agreements that never secured Senate approval.

Can you confirm that you will not support such efforts?

Answer. If confirmed, I will work closely with Congress to ensure U.S. trade policy reflects existing statutory and international obligations and will implement it consistent with the treaty clause of the U.S. Constitution.

*Question.* As you saw during the Finance Committee hearing, there is bipartisan interest in the UK and Kenya negotiations. Please provide your view on whether we should try to conclude the UK and Kenya trade agreement negotiations this year.

Answer. In 2020, the United States officially launched negotiations to establish free trade agreements with Kenya and the United Kingdom. Since announcing the negotiations, the United States completed two rounds of negotiations with Kenya and four rounds of negotiations with the United Kingdom. If confirmed, I plan to review the state of the negotiations with the United Kingdom and Kenya, and, in consultation with Congress, chart a path forward that reflects the Biden-Harris administration's commitment to a trade policy that prioritizes the interest of America's working families.

*Question.* Do you agree that Trade Promotion Authority (TPA)—particularly the provision reflected in 19 U.S.C. § 4203—requires that USTR provide the committee access to any proposals or negotiating text proffered by our trading partners in any negotiation taking place under the auspices of TPA, regardless of how they are characterized, including as a “non-paper?”

Answer. If confirmed, I commit to consult with the Senate Finance Committee on trade negotiations. I will work closely with the committee to identify ways to improve the flow of information in the development of trade policy.

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QUESTIONS SUBMITTED BY HON. DEBBIE STABENOW

*Question.* If confirmed, you will have a major role in how the U.S. confronts and combats China's unfair trade practices.

Is the United States prepared and positioned to confront China's unfair trade practices and competitive ambitions?

Answer. The Biden-Harris administration is engaged in a review of the policies in place to respond to China's coercive and unfair trade practices. I understand that a comprehensive strategy to confront the China challenge will be formulated based on that review.

*Question.* What kind of bilateral and multilateral approaches will this administration establish regarding trade policy in Asia?

*Answer.* The Biden administration recognizes that America is stronger when it works with allies to address the unfair trade practices that distort the playing field in the Asia-Pacific region and disadvantage America's exporters and workers. If confirmed, I will be prepared to use a variety of approaches, including bilateral and multilateral ones, to tackle these challenges.

*Question.* China is also a critical market for many Michigan farmers. From apples and cherries, to soybeans and dairy products, exports help drive the agricultural economy. China's purchases have surged recently, but are still below the short-term commitments in the Phase One deal, and China's opaque regulatory system poses many problems like years-long delays in approving new biotechnology traits.

What opportunities do you see for U.S. producers in China going forward?

*Answer.* America's farmers depend on stable access to the Chinese market. If confirmed, I commit to working with you to ensure that China's market is open and stays open to U.S. agricultural products.

*Question.* What is your strategy to rebuild and expand this and other critical export markets for food and agricultural products?

*Answer.* If confirmed, I look forward to working with your office to identify new export markets for U.S. agriculture products.

*Question.* We know that years of Chinese IP theft have given China a competitive advantage in the global technology space.

What types of export controls or other restrictions do you think the U.S. should place on China to address this?

*Answer.* China's illicit practices with regard to intellectual property theft have harmed American innovators, manufacturers, and workers. Export controls and other restrictions can play an important role in counteracting these harms. If confirmed, I will work actively with other Federal agencies to determine the export controls and other restrictions necessary to respond to China's illicit practices.

*Question.* As you know, polysilicon is the foundational material necessary to produce solar cells and modules, semiconductors, and next generation batteries. For several years, an array of Chinese unfair trade and industrial policies has targeted and threatened the U.S. polysilicon industry and resulted in China capturing nearly the entire global solar supply chain. This puts at risk U.S. national security and clean energy interests, as well as critical U.S. manufacturing jobs in Michigan. The Chinese Government committed to open its market to U.S. polysilicon exports as part of Phase One, but so far it has broken that commitment.

How will you prioritize a resolution to this issue?

*Answer.* If confirmed, I will make resolving this issue, as well as other unfulfilled commitments of the Phase One agreement, an important part of my engagement with Chinese trade officials.

*Question.* Last year, Senator Thune and I led a letter with 61 bipartisan Senators urging USDA and USTR asking them to prioritize market access assurances for common food names that our food manufacturers, exporters, and producers use in their products. Many countries outside of North America exploit protections meant for valid geographical indications to limit competition and block imports.

Will you commit to working with USDA on this issue in future U.S. trade negotiations and agreements to ensure the continued use of common food names?

*Answer.* The United States secured historic protections for common food names in the USMCA. If confirmed, I commit to working with USDA on this issue to build on that success, and to prioritize the use of common food names during future trade negotiations.

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QUESTIONS SUBMITTED BY HON. CHUCK GRASSLEY

*Question.* If confirmed, how will you use the tremendous leverage the United States has to revitalize the WTO's negotiating function so that the rules reflect the modern economy, including e-commerce?

*Answer.* The WTO negotiating function has failed to keep pace with changes in the global economy. WTO rules need to be updated to reflect developments that have unfolded over the past quarter-century, particularly in the digital economy. If confirmed, I commit to work with like-minded partners to ensure that any new rules are high-standard ones that reflect the Build Back Better agenda.

*Question.* What reforms would the Biden administration be interested in pursuing to WTO's Appellate Body?

*Answer.* Over the years, the Appellate Body has overstepped its authority and erred in interpreting WTO agreements in a number of cases, to the detriment of the United States and other WTO members. In addition, the Appellate Body has failed to follow existing rules created to ensure that disputes are resolved in a timely manner. If confirmed, I commit to seeking a comprehensive range of reforms to address these shortcomings.

*Question.* Do you think China should be accorded developing country status at the WTO?

*Answer.* If the WTO is going to succeed in promoting equitable economic development, it is critical that the institution rethink the ability of countries to self-select developing country status. The rules for special and differential treatment should be reserved for those countries whose development indicators and global competitiveness actually warrant such flexibilities; they should not be abused by countries that are already major trading powers.

*Question.* Mexican President Lopez Obrador recently issued a decree that would ban glyphosate, a widely-used U.S. crop protection tool, and would ban GMO corn in Mexican diets—both by 2024. These actions have the potential for major trade disruption and could put Iowa corn farmers in the position where they must choose between access to the Mexican market or access to critical production tools that have enabled them to farm more sustainably and efficiently.

If confirmed, would you support enforcement action against Mexico for its violations of USMCA with respect to agricultural biotech approvals?

*Answer.* Mexico is a critical export market for American agriculture, with nearly \$3 billion of corn exports each year. If confirmed, I will work with USDA to promote U.S. corn exports to Mexico, and commit to fully enforcing the USMCA.

*Question.* Mexico had recently approved and started moving to a 10-percent ethanol blend, but litigation and stalled regulatory action have caused market uncertainty and stifled the growth of ethanol demand. Moving to a ten percent ethanol blend in Mexico holds the potential of 1.2 billion gallons of additional ethanol demand in North America.

What steps are you prepared to take with your Mexican counterparts to ensure that they move forward expeditiously with ten percent ethanol blending?

*Answer.* If confirmed, I will work with USDA and the Department of Energy to protect market access for American ethanol producers in Mexico.

*Question.* While I understand the rationale for China section 301 tariffs, some of those tariffs are hurting U.S. renewable energy producers and job creation, and impeding the introduction of clean energy technologies in the United States, I believe we should be prepared to grant tariff exclusions where appropriate.

With virtually all of the initial China 301 tariff exclusions now having expired, would you be prepared to stand up a new section 301 tariff exclusion process for parts used in renewable energy products made in the U.S.?

*Answer.* China's track record of using unfair practices to acquire U.S. technology—to the detriment of U.S. innovators and workers—is well-established. During the last administration, USTR conducted an investigation into China's unfair trade practices under section 301 of the Trade Act of 1974, and it found that China engages in unfair trade act policies and practices related to intellectual property, innovation and technology transfer. The United States imposed tariffs on products from China to address those findings. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and consider the impact on U.S. businesses, workers and consumers.

*Question.* In the Phase One deal, China agreed to “implement a transparent, predictable, efficient, science- and risk-based regulatory process for safety evaluation and authorization of products of agricultural biotechnology.” However, we have seen no domestic movement in Beijing to move towards reforms.

If confirmed, what steps will you take to ensure that China approves agricultural biotechnology products that are science-based?

Answer. U.S. farmers are harmed when our trading partners, particularly China, undertake non-science-based regulatory processes to create barriers against our agricultural exports. If confirmed, I commit to utilizing the tools at my disposal in the Phase One agreement to ensure that China lives up to the obligations in the agreement.

*Question.* Iowa is a leading hub for amino acid innovation and production for use in animal agriculture throughout the United States. I am concerned that unfair Chinese subsidies to its amino acid industry have resulted in unfair increases in imports of Chinese amino acids such as Lysine and Threonine. These unfair trade practices jeopardize the vitality of U.S. amino acid producers, the U.S. amino acid supply chain, and American corn growers.

If confirmed, will you include the issue of potential Chinese unfair practices in the amino acid space as part of the Biden administration's international trade agenda with China? Will you also commit to briefing my office and the relevant Capitol Hill committees on this issue on a biannual basis?

Answer. Chinese subsidies have harmed American producers and jeopardized the resiliency of American supply chains in a number of sectors, including amino acids. If confirmed, I will make it a priority to address the full range of unfair Chinese trade practices that disadvantage our farmers and workers and to consult Congress in those efforts.

*Question.* The EU is targeting companies through its digital services taxes, competition proposals, and is threatening transatlantic commerce through the invalidation of the Privacy Shield. This is protectionism plain and simple. Equally concerning is the rapid proliferation of many of these policies globally. Unfortunately, rather than working together with the US to set global standards and address shared concerns like China, the EU is moving forward on their own. I did not always agree with the previous administration, but I was a strong supporter of using section 301 to defend American interests from discrimination abroad.

If confirmed, what will your strategy be to stem the growing tide of protectionisms in Europe?

Answer. I am aware of the concerns U.S. companies have raised about digital services taxes (DSTs) and the continued free flow of data. Many DSTs were designed by our trading partners in a way that unfairly singles out large U.S. digital platform companies. As you know, the previous administration started section 301 investigations against the DSTs introduced by a number of countries but then suspended the introduction or implementation of specific remedies to allow time for negotiations. If confirmed, I will review the status of those actions and will work with my colleagues at the Treasury Department to resolve the digital taxation disputes, and I will use the trade tools available to support the Department of Commerce's effort to conclude an Enhanced Privacy Shield Framework.

*Question.* The European Union is in the process of implementing legislation that will impose new EU antibiotic use restrictions on producers of animal products that export to the EU, a move that could cause serious disruptions. EU regulators are refusing to take into account relevant data from countries outside the EU or to consider use restrictions already in place in the U.S. and elsewhere, as required under WTO rules.

How do you intend to deal with this type of EU regulatory protectionism?

Answer. I understand the importance of this issue. If confirmed, I commit to holding our trading partners to their WTO commitments with respect to sanitary and phytosanitary measures, the application of standards and other obligations that impact our agricultural exporters.

*Question.* President Biden has said he would like to renegotiate aspects of the CPTPP if the U.S. were to sign the agreement. If confirmed, what aspects of the agreement would you change?

Answer. Much has changed in the world since the original TPP was signed in 2016. If confirmed, I will review the CPTPP to evaluate its consistency with the Build Back Better agenda. I commit to consulting closely with Congress on trade agreement negotiations.

*Question.* In the past year, both presidential candidates supported an outright repeal of CDA 230, the Department of Justice proposed significant reforms, and over a dozen bills were introduced in Congress reflecting bipartisan concerns about 230 as it currently stands. Prior to USMCA, CDA 230 was not in any U.S. trade agreements. Advocates of including 230 have been clear that they favor putting it in trade agreements to “protect it domestically”—*i.e.*, to prevent congressional reforms.

Given that context, would you agree that section 230 does not belong in future trade agreements?

Answer. There are a wide variety of views on this issue, and I commit to consulting with the relevant stakeholders, including Congress, on this and other provisions of our trade agreements.

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QUESTIONS SUBMITTED BY HON. MARIA CANTWELL

COST OF TRADE WARS/GROWING U.S. TRADE AND MARKET ACCESS

*Question.* From our ports, to our farmers, to aerospace workers—U.S. exports mean U.S. jobs. About one in four jobs in Washington State is tied to trade. Ninety-six percent of the world’s customers live outside of the United States.

Prior to the COVID pandemic, half of the world’s population had reached the middle class—almost 4 billion people. U.S. exporters need to be able to reach those markets to continue to grow the U.S. economy and U.S. jobs.

The Trump bilateral, tariff-first approach to China has severely damaged our businesses’ and farmers’ ability to compete on the global marketplace.

Moody’s Analytics estimates that the Trump administration’s trade war with China caused nearly 300,000 Americans to lose their jobs. U.S. companies have lost at least \$1.7 trillion in the price of their stocks as a result of the Trump tariffs on Chinese goods. JPMorgan estimates that the trade war cost the average American household between \$600 and \$1,000 per year.

While this trade war was being waged by Trump administration, China dropped its tariffs on the rest of the world by 25 percent, putting U.S. companies and farmers at an even greater competitive disadvantage. U.S. companies lost shelf space and market share.

In 2017, prior to the tariffs, the value of Washington apples shipped to the People’s Republic of China and Hong Kong was \$49 million. Today it is \$16 million. Pacific Northwest cherry exports to China and Hong Kong have dropped 69 percent since retaliatory tariffs were implemented. Sweet cherry shipments to China and Hong Kong in 2017 were valued at \$141 million. Last year, 2020 sales were \$70 million.

Now, after the end of the Trump administration, U.S. tariffs of up to 25 percent remain on roughly \$335 billion of Chinese imports and retaliatory Chinese tariffs of up to 30 percent remain on approximately \$90 billion of U.S. goods, which is more than half of all U.S.-China trade flows. China has not implemented structural changes to stop forced tech transfer or to provide long-term market access.

We need to work with U.S. allies like Europe and Japan to meet the real challenges we face from China. We also need to expand U.S. access in other fast growing markets in Asia like Vietnam, which was Asia’s top performing economy in 2020, growing by nearly 3 percent in the midst of the COVID pandemic. Vietnam’s economy is projected to grow another 7 percent this year.

The Trump administration focused on the threat and use of punitive tariffs on U.S. trading partners as well as against competitors.

Will the Biden administration continue this practice of imposing unilateral punitive tariffs? If not, how will the Biden administration work with our allies on China?

Answer. China is both a major market for U.S. exporters and a major trading partner whose practices have harmed U.S. workers, farmers, ranchers, manufacturers, and innovators. The Biden-Harris administration is engaged in a comprehensive review of existing U.S. policies to determine what action we must take to meet the China challenge. We will be stronger in meeting that challenge if we work with our allies. If confirmed, I will utilize a wide range of tools to ensure that we develop a strategic and coherent plan to address the challenges and opportunities before us.



*Question.* What specific and concrete actions does the Biden administration want to see before it lifts the remaining Trump tariffs on China?

*Answer.* The Biden-Harris administration is engaged in a comprehensive review of existing U.S. policies to determine what action we must take to meet the China challenge. I understand that the administration will pursue a whole-of-government strategy based on that review that addresses China's unfair trade practices, invests in U.S. manufacturing and innovation, prioritizes supply chain resilience, and increases American competitiveness.

*Question.* If confirmed, which countries will be priorities for trade negotiations? What will you do to grow market access for U.S. exporters in other fast growing markets in the Asia?

*Answer.* If confirmed, I will prioritize trade negotiations with partners that are willing to sign trade agreements that benefit all Americans. In addition, I will work to ensure that Americans are not unfairly disadvantaged by trade barriers, actionable subsidies, lax enforcement of labor rights, poor environmental regulations, failure to enforce intellectual property rights, or other unfair trade practices.

#### APPLES/MARKET ACCESS IN INDIA

*Question.* India is a very important market for Washington State apples.

The value of the market for Washington apples was \$120 million prior to India imposing tariffs of up to 70 percent because of the Trump administration's unilateral steel tariffs in 2018. Today the market for Washington apples is \$4.9 million.

India will now be requiring certification that export shipments are free of genetically engineered crops. Apples are included under this requirement, and no genetically engineered apples are exported from the United States.

Furthermore, there are no genetically engineered red delicious—the variety that accounts for most of all the apple exports to India.

Additionally, India will close its market for U.S. apples on March 1st if no agreement is reached with the United States.

The Trump administration terminated India's preferential trade status under the Generalized System of Trade Preferences (GSP) program in 2019 over concerns about market access for U.S. goods and services. However, India is still moving to restrict market access.

What will you do to ensure India keeps its market open to U.S. apples and reduces its tariffs?

*Answer.* I understand the detrimental effects that India's tariffs have had on Washington apple exports. If confirmed, I look forward to working closely with your office to support the Washington apple industry.

*Question.* When would the Biden administration consider restoring India's GSP status and will access for apples and other U.S. exports be a factor?

*Answer.* If confirmed, I look forward to working with Congress to update and reauthorize the GSP program. If Congress passes an extension of the GSP program, I will review our trading partners' eligibility for the program based on their compliance with the program's criteria. I commit to working with Congress on GSP eligibility reviews.

#### WHEAT/GROWING EXPORTS IN CHINA/SOUTHEAST ASIA

*Question.* When China joined the World Trade Organization (WTO) in 2001, it agreed to a tariff rate quota. China committed to allow imports of up to 9.64 million metric tons of wheat from all sources each year at a 1 percent tariff. However, it never lived up to its commitment and the Obama administration brought a case to the WTO that it won.

Last year, China finally took important steps toward meeting their WTO commitments to import wheat. Beijing also made commitments to purchase U.S. wheat and other agricultural products as part of the Phase One deal with the Trump administration. As a result, China has bought 878,500 metric tons of Pacific Northwest soft white wheat this year.

Other foreign markets in South East Asia like Vietnam and Indonesia also have great potential. Markets in Central and South America like Chile and Guatemala are also important opportunities.

Soft white wheat sales are up 10–30 percent in each of these regions. Our competitors in Canada and Australia aggressively pursue foreign sales in these markets.

How will the Biden administration make sure U.S. wheat exports to China continue to grow?

Answer. America’s wheat farmers depend on stable access to the Chinese market. If confirmed, I will work with you to ensure that China’s market is open and remain open to U.S. wheat and other agricultural products.

*Question.* Will the Biden administration pursue negotiations to open markets in Southeast Asia that have great potential for wheat and other U.S. exports? What will you do to make sure that our wheat growers do not lose market share to their aggressive foreign competitors?

Answer. If confirmed, I look forward to working to identify new markets for U.S. agricultural products such as wheat.

#### BOEING-AIRBUS DISPUTE/EUROPE

*Question.* Aerospace has been a leading U.S. export for many years. The future of aerospace matters to U.S. jobs. There are more than 100,000 aerospace jobs in Washington State and before the pandemic there were even more.

In 2006, the United States brought a case at the World Trade Organization (WTO) because Europe provided \$22 billion in illegal subsidies for the development of Airbus commercial aircraft (A350 and A380).

The Europeans countered with a case against the United States. The WTO ruled for the United States in 2012 and 2016 and for the EU in 2019. As a result of the WTO cases, the United States imposed WTO-approved tariffs of up to 25 percent on a range of products including European aircraft, wine and spirits, and dairy. The European Union still imposed tariffs of up to 25 percent on U.S. aircraft and a range of agricultural products including Pacific salmon, wine, wheat, and berries.

The EU has kept sanctions in place even though in March 2020 Washington State repealed the tax provision that the WTO found to be out of compliance. Last year, the Trump administration failed to reach an agreement with the Europeans on commercial aircraft subsidies that would finally end the dispute and the tariffs.

As it seeks to rebuild the transatlantic alliance, the Biden administration has a real opportunity to resolve this dispute, finally end harmful Airbus subsidies, and establish a level playing field for America’s aerospace industry.

Will you prioritize reaching an agreement on commercial aircraft subsidies to end European and U.S. tariffs and finally end the Boeing Airbus dispute?

Answer. The Boeing/Airbus WTO litigation has been ongoing for more than 15 years. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field.

*Question.* Do you anticipate reaching separate agreements with the United Kingdom and the European Union?

Answer. The United Kingdom left the European Union on January 31, 2020. If confirmed, I look forward to working with the United Kingdom on a range of trade issues, including the disputes regarding Boeing and Airbus.

*Question.* Will you commit to resolving the Boeing-Airbus dispute and tariffs prior to finalizing any U.S.-EU trade agreement or U.S.-United Kingdom trade agreement?

Answer. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field. I commit to working with Members of Congress on trade priorities with the European Union and the United Kingdom.

#### DIGITAL TRADE/EUROPE

*Question.* Digital trade and the free flow of data across borders is critical to all U.S. exporters and importers, as well as the 5,000+ tech companies in Washington and our State’s more than \$2.8 billion digital export economy.

Some European officials are pushing for “European digital sovereignty” and to enact new laws and regulations on tech that could advantage European companies at the expense of U.S. companies. It may amount to drifting towards protectionism.

Instead, the U.S. and Europe should increase constructive dialogue and cooperation on digital trade and tech policies, setting global standards, and confronting China on intellectual property theft.

The U.S. and EU also need to finalize a new Privacy Shield agreement to allow for the continued cross border flow of data consistent with EU legal data protection and privacy requirements.

If confirmed, will you closely monitor new European laws and regulations on tech that amount to non-tariff trade barriers and defend U.S. companies against any targeted and discriminatory measures?

Answer. I recognize the vital importance of the digital economy and digital trade to the State of Washington, and to the broader U.S. economy. If confirmed, I commit to work closely with Congress to respond to the introduction of laws and regulations that would unfairly discriminate against U.S. companies.

*Question.* Will you prioritize strong digital trade rules in any U.S.-EU trade agreement and work to keep growing the free flow of data across borders that is so important to the 21st-century economy?

Answer. If confirmed, I will work with my colleagues at the Department of Commerce to find a path forward that allows for the continued cross-border flow of data.

*Question.* What steps will you take to cooperate with Europe on addressing intellectual property and market access challenges in China?

Answer. While there are differences between the U.S. and the EU on some important issues, the U.S. and the EU share broad concerns about China's unfair practices, including policies that in practice condition market access on technology transfer. It is a priority of the Biden administration to work with our allies, including our European allies, to address the many challenges posed by China.

*Question.* Will you reengage on the WTO negotiations on e-commerce, and will you make it a priority?

Answer. The WTO negotiating function has failed to keep pace with changes in the global economy. WTO rules need to be updated to reflect developments that have unfolded over the past quarter-century, particularly in the digital economy. If confirmed, I commit to work with like-minded partners to ensure that any new rules reflect the values of the Build Back Better agenda.

#### ENVIRONMENTAL GOODS

*Question.* Climate Change is a global challenge that no nation can solve on their own. For this reason, I appreciate President Biden rejoining the Paris Agreement so the U.S. can resume its role as a leader in reducing the world's dangerous levels of carbon pollution.

Being part of the global solution on climate will also help ensure the U.S. has access to a rapidly growing trillion-dollar annual market that could create thousands of high-wage trade and manufacturing jobs in Washington State.

But that market opportunity is currently constrained by a variety of tariffs that make environmental goods and services more expensive and less accessible than they should be, especially in the developing world where most future carbon pollution will come from.

That's why I think it's imperative that we work to make it easier for all countries to adopt lower carbon technologies. Examples include goods and services that address air pollution control, renewable energy, water and waste management, environmental monitoring, and carbon capture and storage technologies.

Ideally with America being the ones manufacturing and selling those technologies to the rest of the world.

In 2001, the Doha Ministerial Declaration directed WTO members to negotiate the elimination of tariffs on environmental goods. In 2014 the U.S. and its global trading partners began negotiations on an Environmental Goods Agreement (EGA) under the WTO with the goal of eliminating tariffs on environmental products and services. That was a big deal, because the 46 WTO members negotiating that agreement account for 90 percent of environmental goods traded worldwide. Unfortunately, discussions stalled in 2016 and were not pursued by the last administration.

Ms. Tai, do you support the goals of the Environmental Goods Agreement?

Answer. Combating climate change and developing green enterprises and jobs are key priorities for the Biden-Harris administration. In July 2014, the United States and 13 additional members of the World Trade Organization (WTO) officially launched negotiations on the proposed Environmental Goods Agreement (EGA) to eliminate tariffs on green technologies. If confirmed, I will pursue a trade agenda that supports the Biden administration's comprehensive vision of reducing greenhouse gas emissions and achieving net-zero global emissions by 2050, or before, by fostering U.S. innovation and production of climate-related technology and promoting resilient renewable energy supply chains.

*Question.* As U.S. Trade Representative, will you seek to restart negotiations on this vital pact that could make the products we need to combat climate change cheaper and more accessible worldwide?

Answer. If confirmed, I will seek stakeholder input on the EGA and evaluate the agreement for its consistency with the Build Back Better agenda and its potential contribution to the Biden-Harris administration's goal of achieving net-zero global emissions by 2050.

*Question.* Will you commit to looking into existing tariff levels with other WTO members to determine which countries have tariffs on environmental goods that differ or exceed corresponding US tariffs? And will you share that analysis with the members of this committee?

Answer. If confirmed, I commit to working closely with you to identify barriers to reciprocal market access for U.S. producers of environmental goods.

#### FRESH POTATOES/MEXICO

*Question.* Mexico has again delayed granting full access for U.S. fresh potatoes. It has refused to provide market access despite more than 20 years of U.S. advocacy and its obligations under the WTO, NAFTA, and the USMCA. As a result, Mexico continues to significantly damage the Washington State potato industry and the jobs it supports.

What specific steps will you take to finally gain durable market access for U.S. fresh potatoes to Mexico?

Answer. I understand the historical issues concerning full access to the Mexican market for U.S. fresh potatoes. If confirmed, I will work to address unfair trade practices that hurt our producers.

#### SECTION 301 TARIFF EXCLUSION PROCESS

*Question.* Last December, many U.S. importers across a variety of non-health care industries have had their 301 China tariff exclusions expire and are now facing tariffs of up to 25 percent.

These are U.S. businesses that were previously approved for exclusions by USTR and are in significant need of tariff relief as we continue to fight the COVID pandemic.

For example, tariff relief expired at the end of last year on seafood products originally caught by Seattle-based fishing companies that undergo secondary processing in China before returning to the U.S. We are now paying tariffs of 25 percent on these U.S. caught seafood products.

In another case, a small business called Rad Power Bikes in Ballard, WA, which imports electric-powered bikes, recently lost their tariff exclusion and now faces an additional \$20 million in estimated costs due to tariffs in 2021 unless they get their exclusion back.

Will you commit to conducting an internal review of USTR's current 301 tariff exclusion process?

As the Biden administration develops its strategy on China, will the administration consider extending previously-approved 301 tariff exclusions that expired in December 2020?

Answer. If confirmed, I commit to assessing the section 301 tariffs and exclusion process as part of President Biden's comprehensive approach to confronting the China challenge.

*Question.* My office has also heard from Washington-based companies that were denied 301 tariff exclusions under the Trump administration with little to no explanation as to why.

For example, a paper mill called the North Pacific Paper Company in Longview, WA—which has over 400 high-skilled manufacturing jobs—had their tariff exclusion request denied by the previous administration without a clear explanation, even though another company was granted an exclusion for the exact same product.

Can you commit to reviewing the previous administration’s arbitrary decisions to grant or reject 301 tariff exclusions?

Moving forward, will the administration consider reopening the 301 tariff exclusion process and grant new exclusions?

Will you ensure that any new rules for the tariff exclusion process are clear and consistent, and prioritize granting exclusions that will benefit U.S. companies in need of tariff relief?

*Answer.* If confirmed, I commit to assessing the section 301 tariffs and exclusion process as part of President Biden’s whole-of-government approach to confronting the China challenge. I also commit to ensuring that any tariff exclusion process—and any similar, USTR-led process—is transparent, fair, and objective.

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QUESTIONS SUBMITTED BY HON. JOHN CORNYN

*Question.* Since June 2018, certain American spirits exports to the EU and UK have faced a 25-percent tariff in response to the U.S. imposition of tariffs on steel and aluminum, and in connection with the WTO dispute concerning Boeing. Absent a resolution to the steel tariffs, the EU’s tariff on American Whiskey will automatically double to 50 percent in June. The U.S. has imposed a 25 percent tariff on certain EU and UK wines and spirits imports since October 2019 in connection with the WTO Airbus dispute. The negative impact of these tariffs are being felt across the U.S. from farmers, to suppliers, retailers, and the hospitality sector.

Will you commit to taking these views into account?

What is the administration’s plan to negotiate resolutions to the various trade disputes with the EU and UK to ensure that these tariffs are quickly removed?

*Answer.* The purpose of WTO dispute resolution process is to ensure that other countries play by the rules so that our businesses, workers, farmers and ranchers can compete on a level playing field. Tariffs may be a tool to achieve these ends, but they are not the goal. The Boeing/Airbus WTO litigation has been ongoing for more than 15 years. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field and that takes into account all affected stakeholders.

*Question.* The USMCA is a critical agreement that promotes stability across our borders, delivers important wins for businesses, workers, and communities, and demonstrates to the American public the importance and value of trade. Yet even with the July 1st implementation of the USMCA, manufacturers continue to face new and proposed trade barriers in Mexico and Canada, as well as broader challenges for companies with operations in Mexico, such as concerns about a lack of independence and autonomy of Mexican regulators, pharmaceutical procurement processes that lack transparency, and preferential treatment for Mexican state-run entities such as in the energy industry at the expense of U.S. companies.

How will you make sure that the USMCA is implemented and enforced in a manner that will support the recovery and renewal of our economies?

How will you use binding enforcement of commercial provisions to make sure that Mexico and Canada follow through on their commitments?

*Answer.* If confirmed, I will review Mexico’s and Canada’s compliance with their obligations in the USMCA and the necessary actions to obtain that compliance. I commit to fully enforcing the USMCA.

*Question.* Free trade agreements have been very good for our farmers and food manufacturers that make safe, high-quality products here in the U.S. That’s true for my State’s beef and dairy sectors, as well as other agricultural industries in Texas. To stay competitive though, we need to be pursuing agreements to expand exports of those products further and engage on trade agreements such as the

Trans-Pacific Partnership (TPP). These agreements are especially with key agriculture importing countries in Asia.

When will the administration begin work on such agreements and will Southeast Asia be a priority region for pursuing them?

Answer. Much has changed in the world since the original TPP was signed in 2016. If confirmed, I will review the CPTPP to evaluate its consistency with the Build Back Better agenda. I commit to consulting closely with Congress on trade agreement negotiations.

*Question.* As a co-chair of the Senate India Caucus, I'm concerned about India's recent wave of digital protectionist policies. Just in the past year, the Indian Government has moved to restrict foreign investment in e-commerce while increasing requirements for localization of data and threatening to mandate the sharing of American companies' data with Indian authorities and competitors.

There is also a USTR section 301 report criticizing India's discriminatory digital tax, which targets U.S. companies. India's direction appears eerily similar to China's playbook, where the government has opened the market just enough to take what it wants from U.S. companies and then closes the door behind them in order to protect and grow its own national champions. Any consideration to restore India's GSP benefits should include a commitment to address these growing barriers to digital trade, which I worry may inspire copycat actions throughout the world.

If confirmed, will you commit to making digital trade and services commitments a priority for any bilateral economic engagement or deal with India, including by leveraging the section 301 report to address discrimination against U.S. companies in India?

Answer. The previous administration initiated section 301 investigations against the digital service taxes (DSTs) introduced by a number of countries, including India, but has not introduced specific remedies. I also have taken note of the proposed changes to India's digital levy that would expand the scope of that tax. If confirmed, I will work with my colleagues at the Treasury Department to address the digital services taxes in the context of the multilateral effort to limit tax competition and address base erosion and profit shifting through the OECD/G20 process.

*Question.* It is no secret that China continues to protect its domestic market from international investment and U.S. companies at-large. The United States leads the world in the technology services industry, including many of the most secure and innovative companies in cloud computing. Unfortunately, due to multiple discriminatory barriers in China—from licensing to joint venture requirements—U.S. cloud providers cannot sell their services directly to other American companies operating in China, or anyone else. This is all while Chinese cloud providers, with far less secure technologies, can and do sell their cloud services here in the United States without restrictions. These are the same Chinese cloud companies that undercut our American cloud providers around the world due to Beijing's generous subsidies and their sanctuary, domestic market.

Will you assure me that you will fight for American cloud service providers so that they can bring secure cloud computing to China on equal footing with their Chinese competitors, and remove the harmful tariffs that further disadvantage them?

Answer. If confirmed, I will fight to ensure that America's cloud service providers are not disadvantaged in China.

*Question.* As you know, USTR is required to collect information for and publish the Special 301 report, which focuses on identifying and improving the protection and enforcement of intellectual property rights by our trading partners. Congress hoped that this report would be used as a jumping off point for effective negotiation and, where necessary, enforcement. Yet, identified trade irritants appear year after year in the Special 301 report. Some would like to see USTR respond more aggressively to this call to congressional action.

Under your leadership, how will USTR improve the Special 301 process to not only identify problems, but also to resolve them?

How will USTR use its trade enforcement tools to ensure our trading partners protect U.S. intellectual property?

*Answer.* The Special 301 process is among the critical tools in USTR's toolbox to monitor our trading partners' intellectual property practices. If confirmed, I will focus on leveraging Special 301 to resolve practices that harm America's innovators.

*Question.* The Biden administration has stated its intention to make robust Buy America policies a key plank of its economic policy. The aim of such policies is to ensure that U.S. manufacturers and workers benefit from taxpayer-funded projects. This is generally a sound policy goal. Some are advocating that any infrastructure package contain "Buy North American" requirements instead of "Buy American" requirements.

Is this the case and what are your thoughts on such a concept?

*Answer.* I understand that President Biden's executive order on Made in America is intended to ensure that when the Federal Government spends taxpayer dollars, it spends them on goods made by American workers with American-made component parts. If confirmed, I will work closely with the President and other Federal agencies to ensure our trade policies support the objectives of this executive order, while recognizing the strategic and economic importance of our partnerships with Canada and Mexico.

*Question.* The Biden administration has announced its intention to increase government procurement of domestically manufactured goods and services. At the same time, the United States is a party to the WTO Government Procurement Agreement (GPA), which limits the United States' ability to apply robust Buy America requirements to government procurement. Some have proposed suspending U.S. obligations under the GPA on a temporary, emergency basis to shore up critical domestic supply chains and spur economic recovery in the wake of the COVID pandemic.

What are your thoughts on such a concept?

*Answer.* It is the policy of the Biden-Harris administration that the United States should seek to maximize the use of goods made in the United States for Federal procurement and financial assistance awards, consistent with applicable law. If confirmed, I will work to ensure that our trade policy supports this goal.

*Question.* Should the U.S. renegotiate any of its U.S. GPA commitments to ensure that the administration can achieve its Buy America objectives?

*Answer.* As a part of its review of the implementation and efficacy of laws, regulations, and policies related to Federal procurement, the United States should also examine procurements made under our trade agreement obligations to ensure that they serve the interests of the United States, its businesses and workers. If confirmed, I commit to undertake this review.

*Question.* Both the Obama and Trump administrations recognized the existence of serious deficiencies in the WTO dispute settlement process. WTO members have used the dispute settlement process to achieve what they could not achieve in negotiations, including the severe weakening of antidumping and countervailing duty laws. In addition, the Appellate Body has repeatedly failed to address China's dangerous combination of government subsidies, state-owned enterprises and distortive non-market behavior. The United States needs to engage in serious and meaningful negotiations to resolve these issues prior to considering any reestablishment of the Appellate Body.

What are your plans for addressing the serious deficiencies in the WTO's dispute settlement process?

Do you agree that the Appellate Body should not be revived until these problems are fully addressed?

*Answer.* If confirmed, I will reengage like-minded partners who similarly recognize the importance and necessity of reform of the WTO, including its dispute settlement process. This will be difficult work, but I remain hopeful that with proper U.S. leadership, we can achieve the necessary reform that resolves our long-standing, bipartisan concerns.

*Question.* Domestically produced steel is among the cleanest in the world. How do you plan to ensure that the WTO cannot block or weaken the administration's efforts to promote and expand markets for domestically produced steel?

*Answer.* If confirmed, I commit to examining any potential barriers to the expanding the exportation of domestically produced steel, including at the WTO, and working with Congress to address those barriers.

*Question.* Some believe the Obama administration recognized that there is a massive global overcapacity issue affecting the steel industry, involving not just China, but many other countries as well. The Global Forum on Steel Excess Capacity and the earlier OECD steel subsidy negotiations, have simply not reached consensus on the matter.

What are your thoughts on the claims that there is an overcapacity affecting the domestic steel industry?

Do you believe existing actions under section 232 are effective?

*Answer.* State-owned enterprises (SOEs) that do not operate based on market principles disadvantage U.S. businesses and their workers and have contributed significantly to global market distortions, notably in the steel industry. If confirmed, I will work with our allies to collectively address market distortions caused by SOEs, subsidies and other unfair trade practices in the steel sector. In addition, I will pursue trade enforcement actions against trading partners that use SOEs and unfair trade practices to disadvantage U.S. businesses and their workers, and I will pursue disciplines in trade agreement negotiations aimed at addressing SOEs and such unfair practices.

*Question.* The USTR implemented a tariff exclusion process for each list of products on the section 301 tariffs for products exported to China. For the products that were excluded from the tariffs the exclusion relief expired on December 31, 2020.

The absence of the previously approved exclusions increases uncertainty for U.S. businesses during the pandemic. The Biden administration has suggested that they will review all trade policy in place.

While the section 301 tariffs are under review, will you consider reinstating the process for product exclusions and those that had previously received such exclusions?

*Answer.* China's track record of using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. In the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and consider the impact on U.S. businesses, workers and consumers.

*Question.* The natural gas and oil industry has experienced significant regulatory challenges in Mexico by Mexican regulators attempting to complicate and delay investor operations in Mexico to the advantage of PEMEX, Mexico's state-owned oil company.

Given recent claims by the Mexican Government that Mexico's hydrocarbons resources are not covered under USMCA, can you state your position regarding how hydrocarbons should be treated with regard to USMCA?

Can you detail how you would ensure that American and other foreign investors in Mexico are treated fairly and ensure the USCMA provisions on fair treatment will be enforced?

*Answer.* If confirmed, I will review the reports of discriminatory action in the energy sector that you have highlighted, and I will consult with stakeholders and Congress on these issues. I commit to quickly engaging the Mexican Government if it violates the agreement and to using all dispute settlement tools to fully enforce USMCA whenever necessary.

*Question.* Investor-state dispute settlements, or ISDS, are an integral part of USMCA and many other FTA's that the US has around the world.

Can you please state how you and USTR would prioritize the enforcement of ISDS under USMCA and the inclusion of strong ISDS provisions in other FTA's the US may pursue?

*Answer.* President Biden has stated that he does not believe corporations should get special tribunals in trade agreements that are not available to other organizations and that he opposes the ability of private corporations to attack labor, health, and environmental policies through the investor-state dispute settlement. If confirmed, I will pursue a trade agenda consistent with the Biden-Harris administration's Build Back Better agenda.



*Question.* Can you please state your view on how the current tariffs on imported goods from Mexico and section 232 tariffs on steel and aluminum will be handled under your leadership at USTR?

*Answer.* If confirmed, I will carefully review tariffs on imported goods from Mexico. In addition, I will work closely with the Department of Commerce on any review and implementation of the section 232 tariffs on steel and aluminum.

*Question.* Natural gas and Liquid Natural Gas (LNG) exports have served as a strong enticement to help the U.S. achieve policy goals and partnerships with other countries. That advantage and U.S. exports should only be strengthened in coming years to maintain and grow U.S. leadership abroad.

Can you please elaborate on how USTR under your leadership will support and encourage growing U.S. energy exports, particularly that of liquefied natural gas (LNG) around the world?

*Answer.* If confirmed, I will work with the Department of Energy to promote market access for American energy exports.

*Question.* The trade war with China continues, and the structural reform commitments the United States was expecting to see from China have not yet materialized. The imposition of punitive tariffs on imports from China has not yet addressed the areas of forced technology transfer and intellectual property theft. Meanwhile, we in Congress need to begin thinking about how to provide incentives for those willing to restore supply chains back home and with our allies.

Do you foresee being actively engaged in bilateral talks with China?

*Answer.* I am open to exploring a wide range of options to address our longstanding problems with China's unfair trade practices, including bilateral talks. However, I will not hesitate to act if those talks prove ineffective.

*Question.* Two critical trade preference programs—the Generalized System of Preferences (GSP) and the Miscellaneous Tariff Bill (MTB)—lapsed at the end of 2020 imposing a tax increase on American workers, American consumers, and American businesses at a time when they can least afford it. Both the GSP and MTB programs have been supported for decades by overwhelming bipartisan majorities. The COVID-19 pandemic has caused great uncertainty for American companies and their U.S. workers. This is not the time to impose new costs on U.S. supply chains, particularly on American job creators who are still recovering from the impacts of the COVID-19 pandemic.

Can you confirm the administration's support for retroactive renewal of GSP and MTB in short order?

*Answer.* If confirmed, I commit to working closely with Congress on renewal of GSP and MTB.

*Question.* Trade Promotion Authority (TPA) is authorized through July 1, 2021. TPA is a delegated, constitutional authority created in 1974. I have previously supported TPA passage and continue to support it in principle. However, I have concerns over the integrity of the process recently used. Each FTA passed through TPA until 2020 received an opportunity for congressional input via a "mock markup."

USMCA was the first agreement to ever skip this process. Senate Report 114-2, which accompanied the 2015 TPA bill, states that when considering the 1974 TPA act:

This committee took the position that Congress should have an active role in drafting the legislation to implement the agreement. The result was that the committee considered a draft of the implementing bill through a "mock" legislative process, with committee consideration, amendments, and conference committee. The President then submitted final legislation to Congress based on the results of the "mock" legislative process. Although not formally outlined in any document, the executive and legislative branches thus agreed on a process that allowed congressional involvement in crafting legislation that would eventually be formally considered under expedited procedures. The so-called "mock-markup" process continues to this day.

Unfortunately, the process no longer continues. This "mock-markup," while trivial to some, is a bedrock practice for allowing members of Congress and those serving on the Senate Finance Committee to indicate their intent upon receipt of the implementing bill. USTR still has the final say in what goes in or out of the imple-

menting bill. When omissions were discovered as a result of the rushed USMCA process, a “technical corrections” package was proposed to correct them.

One such omission was the NAFTA-era U.S. law restriction on products produced in Foreign Trade Zones (FTZ) (19 U.S.C. 3332(a)(2)(A)) for products, that otherwise meet the rules of origin under NAFTA and now USMCA, could not also receive the same reduced tariff benefits. Canada and Mexico do not have similar restrictions in place on their FTZ equivalents, creating disparity between the two. USTR, at the time, claimed its “intent” was to include the restriction following the release of a May 2020 article highlighting the issue.

USTR expected Congress to take this at face value and not recognize the fact that many in Congress, myself included, believed the restriction deserved further debate in the public square. CBO projected that the reinstatement of the restriction would result in a \$2 billion increase in tariffs without the provision in place.

More importantly, members of the Senate Finance Committee did not have their opportunity to indicate their “intent” as to what should be included in the implementing bill. To my disdain, this NAFTA-era restriction on FTZs was included in a larger “technical corrections” package.

What are your views on the re-authorization of TPA?

Will you seek renewal of TPA given the ongoing negotiation of the UK and Kenya FTAs?

What is your opinion on the mock markup process? Should this continue, and should it be a codified practice instead of a committee report issue?

Do you commit to a full mock markup process on any future FTAs or other legislation considered under the TPA process?

Answer. If confirmed, I will consult closely with Congress on trade negotiations and trade legislation advanced by the Senate Finance Committee. As U.S. Trade Representative, I will work to pursue trade policies that receive bipartisan support in Congress.

*Question.* What is your view on the restriction mentioned?

Do you believe this restriction was put in place to meet treaty obligations under NAFTA and USMCA?

Can you discuss your views on the FTZ program in general and where you see it fitting into the larger conversation on critical supply chains and the high tariff environment?

If confirmed as USTR, would you support and initiate a study that examines the restriction in the context of parity with FTZ counterparts in Canada and Mexico?

Answer. The Biden administration is already undertaking a comprehensive review of supply chain risks, pursuant to the President’s executive order issued on February 24th. If confirmed, I will study this issue as part of the review as well as its consistency with the broader Build Back Better agenda. I will also work to ensure that American workers and businesses aren’t unfairly disadvantaged by our trading partners’ policies.

*Question.* The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has entered into force without the United States. The agreement represents approximately half a billion people and 14 percent of the global economy. American companies were negatively impacted when the U.S. withdrew from the TPP agreement in 2017. Joining the CPTPP would be a good opportunity for the U.S. to reclaim global leadership and write the rules of the road with regard to trade, intellectual property, environmental and labor standards.

Do you support the U.S. joining the CPTPP and what needs to be updated with regards to the agreement to reflect the changed conversation around China since 2015?

Answer. Much has changed in the world since the original TPP was signed in 2016. If confirmed, I will review the CPTPP to evaluate its consistency with the Build Back Better agenda. I commit to consulting closely with Congress on trade agreement negotiations.

*Question.* The launch of USTR’s section 301 investigations on Vietnam’s currency valuation and timber are ongoing. Stakeholders across the United States in various

sectors remain concerned that USTR will react take action against Vietnam including imposing punitive tariffs.

How do you foresee engaging in bilateral talks with Vietnam to find a solution to this issue?

*Answer.* President Biden has committed to opposing efforts by America's trading partners to artificially manipulate their currencies to gain a trade advantage and to combatting trade in goods made with illegally harvested timber. If confirmed, I will work with the Treasury Department, the Department of Commerce, Customs and Border Protection and other agencies to bring effective pressure to bear on countries that engage in such unfair practices. The goal of a section 301 investigation is always to provide an incentive to encourage a negotiated solution that addresses the underlying unfair trade practices.

*Question.* U.S. investment in the Africa already faces mounting uncertainty. Companies are poised to diversify out of China, and Africa is a logical place for many of them. The U.S.-Kenya FTA negotiation is critical for countering this influence. Many sectors, such as the apparel and footwear industry, draw upon this region and benefits in other U.S. laws to conduct business. Moreover, AGOA countries must still be able to partner with Kenya.

Can you provide an update on the U.S.-Kenya trade agreement and work to include flexibilities that continue recent wins on U.S.-Africa trade?

*Answer.* In 2020, the United States and Kenya officially launched and completed two rounds of negotiations to pursue a free trade agreement. Since announcing the negotiations, the United States completed two rounds of negotiations with Kenya. If confirmed, I will review the U.S.-Kenya bilateral relationship, and the African Growth and Opportunity Act (AGOA) program. The United States' economic relationship with the African continent will be a priority if I am USTR.

*Question.* The creative community supports hundreds of thousands of Texas jobs and adds billions to our GDP. Will you ensure strong intellectual property protections for the American creative sector in future trade agreements?

*Answer.* If confirmed, I commit to seeking provisions in trade agreements that benefit America's innovators, who play a critical role in enhancing our economic competitiveness and supporting the creation of high-quality jobs.

*Question.* U.S. exporting industries like the U.S. chemical manufacturing sector can grow high-paying, high-skilled jobs when the U.S. Government opens new markets, keeps them open, and aligns regulations. One avenue to achieve these ends is international regulatory cooperation, which creates greater efficiencies and cost savings for governments and businesses while protecting human health, safety, and the environment. The USMCA includes state-of-the-art sectoral annexes (e.g., chapter 12.A on chemical substances) that could inform future U.S. regulatory cooperation activities with trading partners. While U.S. government regulatory agencies must prioritize achieving their domestic objectives, they also are essential to the conduct and success of these activities.

Will you work with Congress and the Office of Management and Budget to provide more resources to U.S. regulators to engage in regulatory cooperation activities and negotiate regulatory cooperation provisions in U.S. free trade agreements?

*Answer.* If confirmed, I will work with Congress, the Office of Management and Budget, and other agencies to ensure that the United States fully and effectively implements and enforces the provisions of the USMCA to the benefit of U.S. industries and workers.

*Question.* What is your opinion of Executive Order 13609 on International Regulatory Cooperation to be responsive to today's global trade and supply chain dynamics?

*Answer.* Executive Order 13609, issued on May 1, 2012, stated that the U.S. regulatory system must protect public health, welfare, safety and the environment while promoting economic growth, innovation, competitiveness and job creation. It also noted the role of international regulatory cooperation and challenges of regulatory divergence. If confirmed, I will work with Congress and through the interagency process to ensure we achieve the right balance in promoting the goals of regulation in the United States and evaluating the challenges of international regulatory divergence.

*Question.* The Miscellaneous Tariff Bill (MTB) provides important relief for U.S. chemical manufacturers who cannot get certain inputs or intermediate goods here in the United States. But the most recent MTB expired at the end of last year—in the middle of a pandemic and economic recession. Programs like the MTB are generally supported by my colleagues and quickly renewed by Congress.

Do you support tariff relief measures like the MTB that help strengthen U.S. manufacturing and

*Answer.* If confirmed, I commit to working closely with Congress on all trade legislation, including the Miscellaneous Tariff Bill.

*Question.* Both you and the President have spoken about the importance of a worker-centric trade policy. The copyright industries employ 5.7 million workers. These jobs pay have a compensation premium of 43 percent over the average U.S. annual wage and rely on exports.

If confirmed to become the U.S. Trade Representative, how will you ensure the role of copyright industries and the interests of the 5.7 million workers employed in the copyright industries are promoted in U.S. trade policy?

*Answer.* If confirmed, I commit to supporting America's copyright industries and the workers employed in such industries by ensuring that our trading partners open their markets to copyrighted exports produced by America's innovators and enforce the IP laws necessary to protect such work from piracy.

*Question.* The U.S. has for nearly 2 decades shifted our critical supply chain production overseas to what President Biden's nominee for CIA director described as an "authoritarian adversary," China. COVID-19 has only accelerated this vulnerability. Yesterday, the President detailed his executive order to identify and support these supply chains. A large part of what is missing however is the resources to put behind them.

I was happy to hear that the President intends to work with members of Congress during the budget and appropriations process to address this challenge. We do not have the ability to write checks by fiat as China does—Congress holds the power of the purse. To that end, I am interested in exploring the creation of a new bipartisan budget category that combines both targeted domestic and defense resources to counter China and re-shore critical supply chains. As an example, our current budget framework is unprepared to make these significant investments into areas like the semiconductor space through the CHIPS for America Act with nearly \$36 billion or roughly 3 percent of our total discretionary budget. Investments like these should not take away from existing priorities but complement them.

Can you explain your views on how you would address critical supply chains as whole, the semiconductor sector, and the CHIPS for America program specifically, if confirmed?

*Answer.* Semiconductors are one of the priority sectors identified in the recent executive order on America's supply chains. If confirmed, I will work to effectively implement the recommendations that emerge from the supply chain review to strengthen the resilience of America's supply chains and support increased domestic semiconductor production.

*Question.* Can you provide your view on how tariffs have served as a punitive measure in diverting supply chains away from China and steps you would take as USTR to support incentives to bring them home?

*Answer.* I understand that the Biden-Harris administration is engaged in a comprehensive review of existing U.S. policies, including the use and impact of tariffs, to determine what action the United States must take to meet the China challenge.

*Question.* What data will USTR use to determine section 301 exclusions, and what steps will you take to ensure that the exclusion process is transparent?

If an exclusion is granted, would USTR provide the exclusion for a year or more?

Would you support granting exclusions that are effective from the start of 2021 as well as refunding the tariffs that companies have already paid?

*Answer.* If confirmed, I will work with Congress to ensure that the tariffs under section 301 are appropriately responsive to China's practices and consider the impact on U.S. businesses, workers and consumers. I will also ensure that any exclusion—or other similar process undertaken by USTR—is transparent, objective, and fair.

*Question.* Complex supply chains take years to establish, and it is very difficult, if not impossible, to quickly shift procurement to other countries or facilities without compromising contracts, compliance, quality, food safety, and value for the consumer.

How would you factor in disruptions to supply chains when implementing tariffs and/or granting exclusions to tariffs?

*Answer.* If confirmed, I will work with Congress to ensure that tariffs, including those imposed under section 301, are appropriately responsive to the unfair trade practices they are meant to address and consider the impact on U.S. businesses and their supply chains, as well as workers and consumers.

*Question.* Our trade debate often focuses on manufactured goods, but America's massive "business services" sector is not only a cornerstone of the U.S. middle class—it's also a huge trade opportunity. Business services employ more than 20 million Americans, and these sectors pays wages that are 20-percent higher on average than those in manufacturing. Business services are also increasingly tradeable. According to the U.S. International Trade Commission, new digital technologies mean that 63 percent of all U.S. services exports can now be delivered to customers abroad digitally. This helps explain why trade in services is growing 60-percent more rapidly than trade in goods.

However, rising digital protectionism abroad could sap growth in middle-class jobs in the business services industries widely recognized as an American strength. As governments worldwide seek to put their own imprint on digital trade rules, some may close markets and disadvantage U.S. firms.

Should U.S. trade policy prioritize an area such as this with growth potential?

*Answer.* To participate in today's global economy, U.S. companies need to access networks, transfer data, and use secure data centers of their choice. The Biden-Harris administration is committed to using a wide range of trade tools to help make sure that American workers and digital innovators are able to compete effectively abroad.

*Question.* The growth in the digital economy—and the importance of data-driven innovation in an increasing number of industry sectors—raises questions about whether trade rules need to be updated. Unfortunately, our partners in the European Union have used legitimate public policy debates—in taxation, competition policy, and data privacy—to write policies that discriminate against American companies in the name of advancing Europe's supposed "technological sovereignty."

If confirmed as USTR, do you pledge to hold the European Union accountable when it enacts policies that discriminate against U.S. digital exporters?

*Answer.* If confirmed, I will use the United States' wide range of trade tools to address discriminatory practices that hurt U.S. workers and firms, including practices that discriminate against U.S. digital and technology exports.

*Question.* What is your opinion of addressing concerns over the proliferation of DSTs by using a negotiated outcome at the OECD?

*Answer.* If confirmed, I support the Treasury Department's efforts to resolve the digital services taxes in the context of the multilateral effort to limit tax competition and address base erosion and profit shifting through the OECD/G20 process.

*Question.* India is a crucial democratic partner in the Indo-Pacific and a potential alternative to China as a destination for U.S. exports. Unfortunately, in recent years, the Government of India seems to have embraced a strategy of digital protectionism. This includes a discriminatory digital tax, sweeping requirements to localize data, and proposals to expropriate proprietary information from U.S. companies.

If confirmed as USTR, how do you intend to tackle India's growing digital protectionism while also growing U.S.-India commercial ties?

*Answer.* India's fast-growing economy provides new opportunities for American exporters, including our farmers, manufacturers, and service providers. It is an ongoing challenge to balance the United States' interest in enhancing our trade relationship with India with its interest in addressing Indian policies that discriminate against U.S. exports and digital service firms. If confirmed, I will consult closely to ensure our trade policy strikes the right balance.

*Question.* We are currently engaged in several trade disputes with both allies and adversaries where tariffs have been used as the remedy of choice. These tariffs have

each resulted in retaliatory tariffs against U.S. exporters including manufacturers and agriculture interests.

While we agree that our trading partners must live up to their international trade commitments, we are concerned about the use of tariffs as the primary remedy to address perceived inequities. Tariffs are taxes that are paid by U.S. businesses, raise costs for consumers and manufacturers and have led to markets being lost for our agricultural exporters. The current tariffs have had a negative impact on companies large and small, especially impacting the economic recovery of many U.S. businesses.

President Biden has talked about the need to reevaluate the trade war and the economic impact caused by the tariffs. Do you commit to conducting an economic review of the tariffs and the impact they have had on the U.S. economy?

Answer. If confirmed, I commit to undertaking a review of the use of tariffs as a tool to address unfair trade practices to ensure that they are strategically employed to achieve their means and maximize the benefit, while minimizing the cost, to U.S. industries, workers, and consumers.

*Question.* Your predecessor concluded several “mini” trade deals with trading partners like Japan and China that covered only certain disciplines and bypassed congressional approval. And even for other agreements, such as the update to KORUS and USMCA, consultations with Congress were severely lacking.

What is your view on mini trade deals? Does the Biden administration plan to pursue them? Will you commit to consulting closely and often with Congress on such deals, as well as on any free trade agreement negotiations?

Answer. If confirmed, I will pursue trade policies consistent with the Build Back Better agenda. I will consult closely and often with Congress to negotiate and develop trade policies that advance the interests of all Americans, support American innovation, and enhance our competitiveness. As U.S. Trade Representative, I will work to pursue trade policies that receive bipartisan support in Congress.

*Question.* Do you see ways USTR can be helpful in getting to an agreement with the EU on a new framework for transatlantic data flows, post-Schrems II? We know that Europe has proposed a new Trade and Technology Council. Is this the right forum to make progress on these issues?

Answer. If confirmed, I will use the trade tools available to support the Department of Commerce’s effort to conclude an Enhanced Privacy Shield Framework that addresses the concerns raised by the European Court of Justice and enables the transfer of data between the European Union and the United States.

*Question.* The U.S. and India have had a burgeoning relationship over the past 20 years during which bilateral trade has expanded to over \$120 billion per year. While we have had some fits and starts with trade discussions with India in recent years, I believe we have an opportunity expand bilateral trade with India, which will further enhance our strategic partnership with this growing power in Asia.

Do you share my vision for improved economic and trade relations with India, and, if confirmed as U.S. Trade Representative, will you commit to pursuing negotiations that benefit the bilateral relationship early in your tenure?

Answer. India is one of the United States’ largest trading partners, and its fast-growing economy represents a tremendous opportunity for American exporters, including our farmers, manufacturers, and service providers. While we have faced occasional trade challenges over time, a strong partnership between the U.S. and India is important for both countries’ strategic interests. If confirmed, I commit to engaging with India to find ways to enhance our trade relationship.

*Question.* Many are experiencing unprecedented prices in the U.S. lumber market. This in turn is significantly affecting the cost to construct or remodel a home. Texas has both homebuilders and a vibrant forestry sector. The Softwood Lumber Agreement we have with our leading trading partner in wood products—Canada—expired more than 5 years ago.

What is your position on this agreement and plans for it in the future?

Answer. The Department of Commerce and the U.S. International Trade Commission have repeatedly found that Canadian subsidies and unfair trade practices harm the U.S. lumber industry. If confirmed, I commit to working with other agencies and departments to ensure that U.S. trade laws and remedies are employed to counter

unfair trade practices and to pursuing agreements in the interest of the United States.

*Question.* We know that China's years of IP theft have given them an advantage in competing with global technology companies.

What types of export controls or restrictions should the U.S. place on China to ensure the U.S. does not lose its competitive edge in the technology sector?

*Answer.* If confirmed, I commit to engaging actively with my counterparts in the Department of Commerce and other agencies with oversight of U.S. export controls and restrictions to confront the issue of China stealing American technology or obtaining it through other unfair or nefarious practices.

*Question.* Last year, the Trade Subcommittee with Senator Casey held a hearing with a number of policy experts and actor and chairman of the International Campaign for Tibet, Richard Gere, on "Censorship as a Trade Barrier."

We heard about how China uses censorship to bolster its domestic industries while restricting access for U.S. companies. It is clear China pushes the boundaries of the public morals and national security exemptions at the WTO with their censorship practices. WTO rules do not provide an exception for content that is politically unacceptable.

For example, in the technology services industry, U.S. cloud providers cannot sell their services directly to other American companies operating in China, or anyone else. This is all while Chinese cloud providers, with far less secure technologies, can and do sell their cloud services here in the United States without restrictions. These are the same Chinese cloud companies that undercut our American cloud providers around the world due to Beijing's generous subsidies and their sanctuary, domestic market.

Senator Grassley secured a fact-finding investigation with the International Trade Commission on the economic costs of censorship as a barrier to trade. It is my hope that the private sector will come forward in confidence to participate in this survey to confront China's offensive and defensive censorship. If companies refuse to participate, it is clear that China has already won the battle for self-censorship.

Will you assure me that you will fight for American free enterprise by raising the issue of censorship and, in context, market access restrictions on American businesses such as cloud computing in your dealing with China, if confirmed?

Will you encourage the private sector to participate in the ITC study on the cost of censorship as a trade barrier?

*Answer.* To fully confront the China challenge, we must address the myriad of ways the Chinese Government seeks to disadvantage U.S. businesses and their workers including through censorship and market access restrictions in sectors like cloud computing. If confirmed as U.S. Trade Representative, I will work closely with you to develop trade policies that treat censorship as a trade barrier and support the work at the ITC to examine trade issues.

#### QUESTIONS SUBMITTED BY HON. ROBERT MENENDEZ

*Question.* Lumber Prices have increased dramatically since last spring. These increases have exacerbated the existing housing affordability crisis, causing the price of an average new single-family home to increase by more than \$24,000 since the middle of last April according to standard estimates of lumber used to build the average home from the National Association of Homebuilders. Meanwhile the Softwood Lumber Agreement we have with Canada, our leading trade partner in wood products, expired in 2015 and has not been renewed since.

Will you make it a priority to reach a new lumber agreement with Canada in order to address this drag on the housing sector?

*Answer.* The Department of Commerce and the U.S. International Trade Commission have repeatedly found that Canadian subsidies and unfair trade practices hurt the U.S. lumber industry. If confirmed, I commit to working with other agencies to ensure that U.S. trade laws and remedies are employed to counter unfair trade practices and to pursuing agreements in the best interest of the United States.

*Question.* Even after the July 1st implementation of USMCA, U.S. companies and their workers continue to face new and proposed trade barriers in Mexico and Canada, as well as broader challenges for U.S. companies in Mexico. In particular, there

are concerns about the independence of Mexican regulators and their preferential treatment towards Mexican state-run entities at the expense of U.S. Companies.

How will you ensure that Mexico and Canada follow through on their commitments in USMCA?

Answer. If confirmed, I will review Mexico's and Canada's compliance with their obligations in the USMCA and act to address failures in compliance. I commit to fully enforcing the USMCA.

*Question.* I am glad to hear that President Biden is planning a review of section 301 tariffs in order to develop a more cohesive China trade strategy. However, many small businesses in New Jersey are facing expiration of their section 301 tariff exclusions or have already had their exclusions expire. As you know, the previous administration did not establish a process for extending these exclusions.

Will you consider granting an extension of section 301 tariff exclusions while the administration is conducting its review so that small businesses aren't unnecessarily harmed?

Answer. China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. In the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and take in to account the impact on U.S. businesses, workers and consumers.

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QUESTIONS SUBMITTED BY HON. JOHN THUNE

*Question.* In business, technology, and innovation, the United States is unmatched. But in order to stay ahead of our competitors and continue to lead in global commerce, we must ensure that our communications infrastructure is secure. To reflect these modern realities, the U.S. must prioritize telecommunications and digital infrastructure in our trade policy. The Network Security Trade Act, which I introduced with Democrat members of the Senate Finance Committee, would make the security of our communications networks a negotiating objective in any future trade deal.

If confirmed, would you support strengthening U.S. communications infrastructure as a key objective in trade negotiations?

Answer. The security of the United States' communications infrastructure is vital to our national security. If confirmed, I will use all available trade tools to maintain the security of U.S. communications networks.

*Question.* As a result of the U.S.-China Phase One trade deal, the U.S. has seen export gains to China across many agricultural sectors including soybeans, corn, beef, and pork.

If confirmed, how would you ensure that China follows through on its Phase One commitments, particularly for U.S. agriculture? What steps would you take to build upon these successes and ensure that U.S. farm and ranch exports to China are not unfairly restricted by tariff and nontariff barriers?

Answer. The Biden-Harris administration is engaged in a review of the policies in place to respond to China's coercive and unfair trade practices, including with respect to agricultural products. I understand that a comprehensive strategy to confront the China challenge will be formulated based on that review. If confirmed, as part of that comprehensive review, I will assess China's compliance with the Phase One deal to ensure it is living up to its commitments.

*Question.* Last year, Senator Stabenow and I led a letter to Secretary Perdue and Ambassador Lighthizer asking them to establish as a core U.S. policy objective in all trade-related or intellectual property discussions the goal of securing concrete market access assurances for specific common food names. More than 60 senators signed onto this bipartisan letter, which should give you a sense of how critical an issue this is for our folks in the meat, cheese, and wine industries.

If confirmed, would you prioritize common food names in the trade agreements you negotiate?



*Answer.* The United States secured historic protections for common food names in the USMCA. If confirmed, I commit to build on the success of this agreement and prioritize the use of common food names during future trade negotiations.

*Question.* Expanding free and fair access for manufacturers and workers to global markets remains pivotal to U.S. competitiveness, wage growth, and economic dynamism. As you know, millions of American manufacturing jobs depend directly on U.S. exports to foreign markets. Those exports depend on reliable access to foreign markets, and in turn U.S. government efforts to eliminate unfair barriers that prevent exports and harm U.S. jobs.

If confirmed, how would you work to support and expand U.S. exports to foreign markets, and what specific steps will you take to reduce trade barriers in those markets?

*Answer.* If confirmed, I will seek to expand global market opportunities for American manufacturers, service providers, farmers, ranchers, and fishers by working with allies and like-minded trading partners to promote policies that support U.S. exports. As U.S. Trade Representative, I will pursue trade cases against trading partners that discriminate against American businesses or deny our producers market access.

*Question.* If confirmed, one of your responsibilities will be overseeing the public interest review process for section 337 orders issued by the U.S. International Trade Commission. The ability to restrict infringing imports through section 337 is a cornerstone of U.S. intellectual property rights protection.

Can you confirm that section 337 investigations will remain fair and thorough in the Biden administration and that strong enforcement of intellectual property rights will remain a top priority?

*Answer.* If confirmed, I intend to oversee the review of ITC exclusion and cease-and-desist orders under section 337 in line with what was envisioned by Congress, as reflected in the legislative history, which includes considerations of the competitive conditions in the U.S. economy.

*Question.* Last year, USTR issued its annual Special 301 report on the adequacy and effectiveness of trading partners' protection of intellectual property (IP) rights. USTR identified 33 countries that present the most significant concerns regarding IP rights. Those countries were placed on USTR's Priority Watch List or Watch List.

If confirmed, how would you lead USTR to follow up on each of the action plans from last year's Special 301 report? As USTR undergoes the 2021 Special 301 report process, how would you ensure that identified countries improve their policies to protect intellectual property rights?

*Answer.* The Special 301 process is among the critical tools in USTR's toolbox to monitor and enforce our trading partners' intellectual property practices. If confirmed, I will focus on leveraging section 301 to promote the interests and address practices that harm American innovators.

*Question.* As U.S. Trade Representative, you would have an important role in expanding our export markets for value-added agriculture products such as ethanol and biodiesel.

As other nations seek to adopt higher blends of biofuels to lower their emissions, including Mexico and the United Kingdom working to increase their use of ethanol up to 10-percent ethanol blends, what steps will you take with your trade counterparts to ensure the U.S. has access to these markets to support our trading partners to increase biofuel blending?

*Answer.* If confirmed, I will work with USDA and the Department of Energy to seek new markets for ethanol exports and clear barriers that are currently blocking the export of American ethanol.

*Question.* Mexico is a critical trading partner for U.S. agriculture, and the USMCA biotech provisions are a major step forward in trade policy, recognizing the need to build in rules and process to enable greater coordination around current and future biotech innovations. COFEPRIS, Mexico's Food and Drug Administration, stopped approval of agricultural biotechnology products in 2018, and in December 2020, Mexico published a decree calling for the phase out of genetically modified corn by 2024 and stated its intent to revoke and abstain from future approval. Given the importance of Mexico as an export market, this will affect our producers' access to new technologies risking critical tools to take on these global challenges.

If confirmed, would you support USTR collaborating with USDA to address this issue?

Answer. If confirmed, I will review Mexico's agricultural obligations under the USMCA and commit to consulting with USDA on this and other agricultural issues. I will not hesitate to use the tools agreed upon in the USMCA to enforce the agreement with respect to agricultural products.

*Question.* The recently signed Regional Comprehensive Economic Partnership (RCEP) represents 15 countries and about 30 percent of global GDP.

What steps will the Biden administration take to enhance democratic trade leadership in the Indo-Pacific? If confirmed, what steps would you take to expand market access of U.S. agriculture products in the Indo-Pacific? Would you support an effort to negotiate a high-standard digital trade agreement with countries in the region, such as Japan, Singapore, and Australia?

Answer. The basic formulation of working closely with like-minded countries in the Asia-Pacific with shared strategic and economic interests is a sound one, but much has changed in the world over the past 6 years since the TPP was signed in 2016. If confirmed, I commit to working closely with like-minded countries in the Asia-Pacific region to deepen our trade relationship in ways that benefit Americans broadly, including our workers, manufacturers, service providers, farmers, ranchers, and innovators.

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QUESTIONS SUBMITTED BY HON. RICHARD BURR

*Question.* USTR has been negotiating a free trade agreement with the United Kingdom, which is one of America's greatest allies and one of North Carolina's top trading partners. The 2019 trade surplus with the United Kingdom was \$21.9 billion, and a free trade agreement could help further grow American jobs and expand opportunities.

If confirmed as United States Trade Representative, will you make continuing these negotiations and concluding a trade agreement with the UK a key priority for USTR?

Answer. The United Kingdom is an important trading partner and ally of the United States. If confirmed, I plan to carefully review the status of the negotiations with the United Kingdom. In general, and in consultation with Congress, I will craft a trade policy consistent with the Build Back Better agenda that prioritizes the interest of America's workers and supports a strong recovery for our economy.

*Question.* USTR leads an all-of-government approach to ensure that our trading partners respect the patents, copyrights, trademarks, trade secrets and other intellectual property rights of American innovators. The Commerce Department is a major partner in this effort, and Governor Raimondo noted in her responses her commitment to "maintaining high standards for protection in any future trade agreements and defending U.S. intellectual property interests in international forums."

Can you outline for us key opportunities you see for USTR to promote and protect U.S. intellectual property rights abroad? What tools would you use to promote and preserve robust copyright and IP protection systems, as well as effective enforcement?

Answer. Innovation plays a key role in ensuring high-quality jobs and growth for the American economy, and robust protection of intellectual property rights is critical for ensuring our continued economic vitality. If confirmed, I will work to deploy a wide range of tools at USTR's disposal to combat piracy and counterfeiting, both in physical and online markets. In addition, I will work with our allies to take collective action to more effectively address these concerns.

*Question.* North Carolina has seen significant growth in the solar industry, with billions of dollars invested in the State. However, because of the section 201 tariffs on imported solar panels and cells, tens of thousands of workers have been laid off or not hired, and investment has been lost. Furthermore, the October 10, 2020 Presidential Proclamation to Further Facilitate Positive Adjustment to Competition from Imports of Certain Crystalline Silicon Photovoltaic Cells increased tariffs and withdrew the exception for bifacial modules.

If confirmed, will you commit to rescinding this presidential proclamation, and to working to undo harmful policies?

Answer. After the U.S. International Trade Commission determined under section 201 of the Trade Act of 1974 that increased imports of solar cells and modules severely damaged the U.S. domestic industry, the last administration established a 4-year remedy, currently set to expire on February 6, 2022. The Biden administration has made the increased use of renewable energy, including solar, a core component of its policy to combat climate change. If confirmed, I will examine the safeguard action in light of those goals, the security of our renewable energy supply chain, and the impact on U.S. businesses and jobs.

*Question.* USTR has levied tariffs on approximately \$370 billion of U.S. imports from China resulting from the section 301 investigation. I have heard from numerous constituents who were granted exclusions that expired at the end of 2020.

If confirmed, will you revisit the exclusion process, and if so, how soon? What actions will you take regarding previously granted exclusions which have expired?

Answer. China's track record of using unfair practices to acquire U.S. technology—to the detriment of U.S. innovators and workers—is well-established. Under the last administration, USTR conducted an investigation into China's unfair trade practices under section 301 of the Trade Act of 1974, and it found that China engages in unfair trade act policies and practices related to intellectual property, innovation and technology transfer. The United States imposed tariffs on products from China to address those findings. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and consider the impact on U.S. businesses, workers and consumers.

*Question.* I have heard from many in my State who have raised issue with Mexico's upholding its USMCA commitments, in issues ranging from its barriers to agriculture technology to regulatory challenges which advantage PEMEX, Mexico's state-owned oil company, and more.

What issues do you see with Mexico upholding its USMCA commitments and what actions will you take to address them?

Answer. If confirmed, I will review Mexico's compliance with its obligations in the USMCA and act to enforce those obligations where necessary. I commit to fully enforcing the USMCA.

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QUESTIONS SUBMITTED BY HON. ROB PORTMAN

*Question.* Trade Promotion Authority (TPA) expires in a few months. Do you support the renewal of TPA this year?

Answer. If confirmed, I will consult closely with Congress on trade negotiations and trade legislation advanced by the Senate Finance Committee. As U.S. Trade Representative, I will work to pursue trade policies that receive bipartisan support in Congress.

*Question.* I co-founded and co-chair the UK Trade Caucus. The purpose of the Caucus is to build support in Congress for a trade agreement with the United Kingdom (UK). The UK is similar to the United States in terms of labor and environment protections and they share our desire to work more closely on trade.

Do you expect to continue the UK trade talks? And do you see path forward on the UK talks, even if the President does not seek a renewal of Trade Promotion Authority (TPA)?

Answer. The United Kingdom is an important trading partner and ally of the United States. If confirmed, I plan to carefully review the status of the negotiations with the United Kingdom. In general, and in consultation with Congress, I will craft a trade policy consistent with the Build Back Better agenda that prioritizes the interest of America's workers and supports a strong recovery for our economy.

*Question.* In *Choruses From the Rock*, T.S. Eliot wrote of creating "a system so perfect that no one will need to be good." That sentiment might also be applied to the World Trade Organization (WTO), which despite having clear, agreed-upon rules has found itself drifting from the obvious meaning of those rules. For systems, or organizations, to be sustainable they need active engagement and not just passive reliance on their underlying institutional architecture. One of the dilemmas facing the WTO reform agenda is the fact that the existing rules are quite clear, and yet

the development of new rules may suffer from the same jurisprudential drift as the existing rules have.

Aside from tacking on a clause that says “and we mean it” to a number of provisions in the WTO agreements, how do you believe new rules should be written to avoid the pitfalls that the United States has seen with respect to Appellate Body activism? And what mechanisms, if any, should be created to ensure that those who interpret such agreements remain faithful to the text of the agreement and neither expand or diminish obligations created by the agreement?

Answer. Over the years, the Appellate Body has overstepped its authority and erred in interpreting WTO agreements in a number of cases, to the detriment of the United States and other WTO members. In addition, the Appellate Body has failed to follow existing rules created to ensure that disputes are resolved in a timely manner. Reforms are needed to ensure that the underlying causes of such problems do not resurface and that the Appellate Body does not diminish the rights and obligations of WTO members.

*Question.* The previous two administrations have, on a bipartisan basis, blocked appointments to the Appellate Body (AB) of the World Trade Organization (WTO) over concerns about AB activism. Restoring the AB without addressing the underlying issues that sparked U.S. concerns about WTO dispute settlement would likely not be a sustainable solution to the problem of AB overreach.

How do you intend to approach issues related to the stalled AB? Do you believe that resuscitating the AB should come with reforms to guard against future overreach? What might some of those reforms be?

Answer. Yes, it is absolutely critical that any solution to the existing impasse be one that seeks to address the underlying problems, including longstanding concerns of overreach and jurisprudential drift. If confirmed, I will seek to work with other countries that share U.S. concerns about WTO dispute settlement to craft reforms to guard against such problems reemerging in the future.

*Question.* Last summer I introduced a bipartisan resolution, which articulated some proposed reforms to the World Trade Organization (WTO). One of those solutions is to pursue more plurilateral agreements without Most Favored Nation (MFN) requirements. This would allow the United States to pursue trade opening opportunities with like-minded nations while preventing those not party to the agreement from benefiting.

Do you agree about the value of non-MFN plurilaterals? If confirmed, do you intend to explore such arrangements with like-minded countries?

Answer. Given the negotiating challenges that the WTO has encountered in recent years, I agree that non-MFN plurilaterals need to be explored as a possible path forward. If confirmed, I commit to exploring the possibility of such arrangements with like-minded countries. Developing countries are hesitant to accept them, however, and getting these arrangements accepted within the WTO will not be easy.

*Question.* Monopsony is a market condition where there is a single dominant buyer. In many sectors, China is the largest single purchaser of a particular good. For example, according to the International Trade Administration, China was the top market for semiconductors with 29 percent of the global market in 2015. Such semiconductor consumption is almost entirely import-based; imports constituted 91 percent of China’s semiconductor demand, with 56.2 percent of demand coming just from U.S. imports.

Do you believe that China possesses monopsony power in certain sectors? If so, are you concerned about the impact such monopsony power would have for American exporters? What do you believe should be done to address China’s potential monopsony power?

Answer. I share your concern that China may possess market power in certain sectors, and I am particularly concerned about those sectors where firms controlled by China’s state are the dominant purchasers, including the semiconductor sector. If confirmed, I commit to consult closely with Congress on this important issue.

*Question.* The Omnibus Trade and Competitiveness Act of 1988 was a watershed moment for U.S. trade policy. That legislation strengthened trade tools, set a strategic direction for U.S. trade policy, and invested in American workers and industry.

Do you agree that this is a ripe moment for another trade and competitiveness act? What types of challenges do you believe that such an initiative should confront?

Answer. As I stated in my testimony, I agree that we must prioritize U.S. resilience and make the necessary investments in our people and our infrastructure to boost our competitiveness and build a more inclusive prosperity. In addition, we must ensure the rules that guide global commerce reflect our values, and we must enforce those rules vigorously. If confirmed, I commit to working with you and other members of the committee to enact legislation and pursue trade policies that enhance U.S. strategic interests and strengthen the competitiveness of American businesses and workers.

*Question.* In February 2021, I led a letter to NEC Director Deese about the impacts that the current shortage of semiconductors will have for the domestic auto industry. It is vital that the administration take immediate steps to mitigate the impacts of the shortage, especially on auto manufacturing, and over the long term consider strategies to produce more semiconductors domestically.

Will you commit to working with your counterparts at other agencies on these short- and long-term goals? Will you commit to working with your counterparts in foreign countries in order to urge the redistribution of some semiconductor production capacity to meet the needs of the domestic auto sector? What role do you believe trade policy can play to increase the production of semiconductors domestically?

Answer. I understand that the Biden-Harris administration shares your concern, and that of Senator Young, about the impact of the current shortage of semiconductors on domestic automobile production and is pursuing all available possibilities to help address the difficulties the domestic auto industry faces. Semiconductors are one of the priority sectors identified in President Biden's executive order on America's supply chains. If confirmed, I will contribute to the supply chain review and work to effectively strengthen domestic semiconductor production.

*Question.* The European Union (EU) and China recently concluded the Comprehensive Agreement on Investment (CAI). This move seems to jeopardize the potential for collaboration with the EU in order to challenge China's non-market techno-nationalism.

In light of the CAI, what do you believe is possible for U.S.-EU collaboration on China? In what ways, do you believe the United States should collaborate with the EU in this regard? And in what ways do you believe the United States should not (or perhaps cannot) collaborate with the EU?

Answer. It is a priority of the Biden-Harris administration to work with allies to address the many challenges posed by China, including the difficulties created by Chinese non-market techno-nationalism. If confirmed, I will seek to work with the European Union and other allies to find new ways to challenge China's many unfair trade practices.

*Question.* In December 2020, I led a letter with Senators Warner, Grassley, and Blumenthal to Ambassador Lighthizer urging the Trump administration to not include section 230-like liability protection in any trade agreement with the United Kingdom.

What role do you believe section 230 plays in U.S. trade policy? Will you commit to refrain from including platform liability language in future trade agreements, especially as Congress actively considers changes to U.S. law in this regard?

Answer. There are a wide variety of views on this issue, and I commit to ensuring that stakeholder views, including Congress, are considered on this and other provisions of our trade agreements.

*Question.* I have long expressed concerns over the discriminatory nature of other country's digital services taxes. I was pleased to see the previous USTR initiate strong action against these taxes. Unfortunately, even with these actions many countries seem to not have been deterred.

Will you continue to strongly oppose such taxes, and can you outline what take steps you would take to protect American companies who are disproportionately harmed? As a requirement for any multilateral solution at the OECD on digital taxation, will you insist that existing unilateral digital services taxes be lifted?

Answer. The previous administration started section 301 investigations against the digital service taxes (DSTs) introduced by a number of countries but then suspended the introduction or implementation of specific remedies to allow time for negotiations. If confirmed, I will work with my colleagues at the Department of the Treasury to address the digital services taxes in the context of the multilateral ef-

fort to limit tax competition and address base erosion and profit-shifting through the OECD/G20 process.

*Question.* Last year, the Court of Justice of the European Union invalidated the EU-U.S. Privacy Shield Framework, which American companies have used to ensure compliance with the General Data Protection Regulation (GDPR). This has created uncertainty for the more than 5,000 U.S. companies, which used the Privacy Shield Framework to transfer data across the Atlantic.

How do you intend to work with other agencies and the European Union to develop a sustainable solution to the problems posed by the invalidation of the Privacy Shield Framework?

*Answer.* If confirmed, I will use the trade tools available to support the Department of Commerce's effort to conclude an Enhanced Privacy Shield Framework that addresses the concerns raised by the European Court of Justice and enables the safe transfer of data between the European Union and the United States.

*Question.* Intellectual property rights and digital issues are an important component of the U.S. trade policy agenda. Do you support filling the position of Chief IP Negotiator?

*Answer.* If confirmed, I commit to consult with this committee and Congress as to what was intended when it created this position, and more broadly, your views on how USTR can best accomplish our shared goals in ensuring that our trade agreements benefit American innovators.

*Question.* Artificial Intelligence (AI) has emerged as a technology of great promise and peril. It also requires vast amounts of data. I started the Senate AI Caucus last Congress to bolster the Senate's expertise as it relates to AI.

What role do you believe AI plays in the United States' trade agenda? What direction do you see agreements going to accommodate potentially transformational AI-based change?

*Answer.* If confirmed, I will consult with Congress and relevant stakeholders to determine how U.S. trade policy should best reflect our priorities on artificial intelligence.

*Question.* China has taken a keen interest in the international standards-setting process. For example, in 2018, China had 8 of the 39 available leadership positions, the most of any country, at the International Telecommunications Union (ITU) 5G-related bodies. The United States had only a single representative. At the International Standards Organization (ISO), last year China was in third place and the United States was tied for 16th place, with Finland, for the most participants.

Do you agree that China's efforts to "flood the zone" on standards setting reduces American competitiveness and can create future barriers to American exports? Do you believe that the United States government should take a more active role when it comes to U.S. membership on international standards setting bodies? What ways do you believe USTR can be helpful to ensure standards setting bodies are not weaponized by foreign countries seeking to establish new trade barriers?

*Answer.* I agree that standards and standard-setting bodies play an increasingly important role in the technological competition between countries, and that recent actions by China in these international bodies are alarming. I understand that the Biden-Harris administration is engaging in a comprehensive review of the additional actions needed to tackle the problems posed by the China challenge, including with respect to international standard-setting institutions. If confirmed, I commit to work closely with other agencies, and consult with Congress, on this important issue. I also commit to working with like-minded allies in these institutions to ensure that they are not unfairly utilized by China or others to advantage their technology firms.

*Question.* Given the spate of unilateral digital protectionist measures, digital trade issues have emerged as source of concern for U.S. trade policy. Yet, digital trade offers incredible opportunities to move trade openness forward.

Can you share your vision for digital trade? Do you see the digital trade provisions in the U.S.-Mexico-Canada Agreement as a template for future digital trade negotiations?

*Answer.* I recognize the vital importance of the digital economy and digital trade to the U.S. economy. If confirmed, I commit to work closely with relevant stakeholders and Congress to negotiate digital trade provisions that secure broad support.

*Question.* The Global Forum on Steel Excess Capacity is a useful tool to address the global steel glut, but it requires sustained U.S. engagement to be effective at coordinating multilateral responses to China's overproduction.

Will you commit to maintaining high-level U.S. engagement with the Global Forum?

*Answer.* Overcapacity in the global steel sector has led to global market distortions that have hurt U.S. steel producers and their workers. If confirmed, I will work to address the unfair trade practices that lead to overcapacity, including through high-level engagement with our allies at the Global Forum.

*Question.* Last year, the Department of Commerce self-initiated a section 232 investigation into imports of electrical steel, with a special focus on imports of GOES laminations and cores from Canada and Mexico. This was in response to circumvention of the section 232 tariffs on electrical steel, which threatens 1,400 jobs at Cleveland-Cliffs' AK Steel facilities in Ohio and Pennsylvania. AK Steel is the last producer of grain oriented electrical steel (GOES) in the United States. Separate from that section 232 investigation, the U.S. Trade Representative (USTR) worked with Canada and Mexico to address the circumvention but was unable to come to an agreement with Canada and it does not seem likely Mexico will live up to its commitments without further action from the U.S. government.

What options does USTR have, either through USMCA or other avenues, to address the surge of imports of GOES laminations and cores from Canada and Mexico, in circumvention of the section 232 tariffs?

*Answer.* Circumvention of trade enforcement measures undermines the effectiveness of the remedy and denies American workers and manufacturers the intended relief. If confirmed, I commit to reviewing the imports of GOES laminations and cores from Canada and Mexico and to consulting closely with Congress and stakeholders.

*Question.* As China and many other countries around the world continue to provide subsidies and pursue other trade-distorting policies that fuel global steel overcapacity, it is vital that the United States take steps to avoid another steel crisis. The section 232 tariffs have been effective at supporting domestic industry amidst global overcapacity.

Do you believe that the section 232 tariffs should be continued? What additional steps do you propose to take to support domestic industry and reduce the global steel overcapacity? As part of these additional steps, do you favor strengthening our antidumping and countervailing duty laws?

*Answer.* State-owned enterprises (SOEs) that do not operate based on market principles disadvantage U.S. businesses and their workers and have contributed significantly to global market distortions, notably in the steel industry. If confirmed, I will work with our allies to collectively address market distortions caused by SOEs, subsidies and other unfair trade practices in the steel sector. In addition, I will pursue trade enforcement actions against trading partners that use SOEs and unfair trade practices to disadvantage U.S. businesses and their workers, and I will pursue disciplines in trade agreement negotiations aimed at addressing SOEs and such unfair practices.

*Question.* The Department of Commerce (DOC) is currently conducting an investigation in the national security threat posed by imported vanadium. I understand they will make their recommendations to the White House imminently.

Do you expect to be involved in conversations about the case, and do you believe any unclassified parts of the report should be made publicly available?

*Answer.* If confirmed, I will work with the Department of Commerce to take the necessary steps to address unfair trade practices that are undermining U.S. industries, particularly industries deemed critical to national security. However, as a nominee, I am not in a position to express a view on whether this work product should be made publicly available.

*Question.* For roughly the past 2½ years, the European Union (EU) and the United Kingdom (UK) have levied a 25-percent tariff on American whiskey imports in response to the United States' section 232 tariffs. These tariffs are set to double to 50 percent in June 2021. At the same time, the United States has imposed a 25-percent tariff on certain wine and spirit imports from the EU and UK in connection to the Boeing-Airbus dispute.

How do you propose to solve the Boeing-Airbus dispute in order to ensure WTO compliance by the EU, while prioritizing the removal of tariffs on products such as American whiskey subject to 232 retaliation?

Answer. The purpose of WTO dispute resolution process is to ensure that other countries play by the rules so that our businesses, workers, farmers, and ranchers can compete on a level playing field. Tariffs may be a tool to achieve these ends, but they are not the goal. The focus must be on the resolution of the issue that has been found to impact our industry and workers. If confirmed, I will make it a priority to review the status of this long-term dispute and seek a resolution that finally addresses the unfair practices found through the WTO process that disadvantage U.S. industry and workers.

*Question.* The United Kingdom (UK) is no longer a member of the European Union. Yet, the UK continues to face Airbus-related tariffs. Since the UK cannot advocate for policy change in Brussels on this issue, and as a gesture of goodwill in the interest of bringing our countries closer together, these tariffs on the UK should be removed.

Do you believe that these tariffs should be removed from the UK?

Answer. The Boeing/Airbus WTO litigation has been ongoing for more than 15 years. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field.

*Question.* Wheels of Jarlsberg cheese are produced in Ireland by a Norwegian company. These wheels are subject to a 25-percent tariff as a result of the Boeing-Airbus dispute. The same company makes loaves of Jarlsberg cheese in Ohio. The tariff on the wheels threatens the entire company and therefore the U.S. production of loaves. The last six-month statutory review of these tariffs did not benefit from public input, therefore did not account for the impacts on Jarlsberg cheese.

When do you plan to review the items that are subject to Boeing-Airbus tariffs, and will you seek public input? How will you decide what stays on the tariff list and what is removed?

Answer. If confirmed, I will work to make sure our trade enforcement actions consider the impact of tariffs on U.S. businesses and workers. When action taken under the section 301 process leads to the imposition of tariffs on certain imports, USTR requests public input through a notice and comment period. This statutorily required practice will continue if I am confirmed as U.S. Trade Representative.

*Question.* The U.S.-China Phase One agreement requires China to strengthen a number of regulations related to the protection of intellectual property rights. While this is a good step forward, China also degrades intellectual property protection through informal coercion.

How will you ensure that China complies with the intellectual property requirements in the U.S.-China Phase One agreement?

Answer. The Phase One agreement provides for regular meetings between officials designated by both sides, including a regular working group on intellectual property issues. Where obligations go unmet, there is a mechanism for consultations and redress. If confirmed, I will closely monitor China's compliance with the intellectual property obligations in the agreement. I will not hesitate to make use of the agreement's mechanisms when China falls short of its commitments.

*Question.* Many businesses who received exclusions to the section 301 tariffs on imports from China expressed concern when their exclusions lapsed at the end of 2020. Do you intend to renew any of these expired exclusions?

Answer. If confirmed, I will work with Congress to ensure the section 301 tariffs on imports from China are appropriately responsive to China's unfair trade practices and consider the impact on U.S. businesses, workers and consumers.

*Question.* I understand you intend to review the section 301 tariffs on China.

When considering the purpose and effectiveness of the section 301 tariffs, do you draw a distinction between List 1 and 2 for their general focus on imports related to the Made in China 2025 plan, and List 3, which does not have the same focus? Or is there no distinction between the different rounds of tariffs as it relates to the broader approach to challenging China's acts, policies, and practices that degrade intellectual property rights? Do you intend to keep tariffs on goods if the underlying feedstock for the good can only be produced in China? Do you intend to draw a distinction between imports used to manufacture products in the United States and



finished goods manufactured in China when it comes to assessing the potential for tariff relief?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and evaluate the impact on U.S. businesses, workers and consumers.

*Question.* Trade enforcement is absolutely vital to ensure a level playing field for American companies and workers. This includes the speedy and faithful implementation of commitments in new agreements, like the U.S.-Mexico-Canada Agreement (USMCA).

In addition to enforcement of labor and environmental commitments in our trade agreements, how do you propose to enforce commitments related to market access, transparency, and innovation?

*Answer.* If confirmed, I commit to using all enforcement tools under the USMCA to enforce the agreement's commitments. When Mexico or Canada is in violation of the agreement, I will use all available tools to obtain a prompt resolution, including seeking consultations with our trading partners and taking enforcement action when necessary.

*Question.* Mexico's government has recently claimed that Mexico's hydrocarbon resources are not covered under the U.S.-Mexico-Canada Agreement (USMCA). Do you believe that hydrocarbons are covered by the agreement?

*Answer.* If confirmed, I will review the USMCA and Mexico's energy policies, and I will consult with stakeholders and Congress on these issues. I commit to quickly engaging the Mexican government if it violates USMCA and to using all dispute settlement tools to fully enforce the USMCA when necessary.

*Question.* Recently, Mexico decreed a ban on glyphosate and genetically modified corn by 2024. Do you believe this ban violates Mexico's commitments under USMCA, and will you commit to including this issue among your USMCA enforcement priorities?

*Answer.* Mexico is a critical export market for American agriculture, with nearly \$20 billion of U.S. agricultural products exported there each year. If confirmed, I will work to make sure these products continue to be exported to Mexico and use the tools agreed upon in the USMCA to do so.

*Question.* The United States and Canada continue to have outstanding issues related to trade in softwood lumber. While Canadian subsidization has frequently been addressed by negotiated agreement, recently Canada has not appeared interested in negotiating a new softwood lumber agreement.

Do you believe that the United States should hold Canada accountable for unfair trade practices in softwood lumber to the extent permitted by U.S. law? Do you believe that such accountability requires a new softwood lumber agreement?

*Answer.* The Department of Commerce and the U.S. International Trade Commission have repeatedly found that the U.S. lumber industry is harmed by Canadian subsidies and unfair trade practices. If confirmed, I commit to working with other agencies to ensure that U.S. trade laws and remedies counter unfair trade practices and to pursue agreements in the interest of the United States.

*Question.* The World Trade Organization's Government Procurement Agreement (GPA) opens up parts of the U.S. procurement market to other countries. Yet, the GPA is also a uniquely helpful model for bringing like-minded allies together on a plurilateral basis. In this way, the GPA can be both a limiting and empowering factor when it comes to restoring the resiliency of our supply chains.

To what extent do you intend to pursue changes to U.S. GPA commitments as part of the administration's broader Buy American agenda?

*Answer.* It is the policy of the Biden-Harris administration that the United States should seek to maximize the use of goods made in the United States for Federal procurement and financial assistance awards, consistent with applicable law. As a part of its review of the implementation and efficacy of laws, regulations, and poli-

cies related to Federal procurement, the United States should also examine procurements made under our trade agreement obligations to ensure that they serve the interests of the United States, its businesses and workers. If confirmed, I commit to undertaking this review.

*Question.* In May 2020, President Trump signed an executive order directing the Food and Drug Administration (FDA) to identify essential medical countermeasures and require the U.S. Trade Representative (USTR) to withdraw coverage under U.S. trade agreements for these products. USTR has since notified the Government Procurement Agreement (GPA) Committee and our trade agreement partners of the intent to withdraw coverage for these medical countermeasures. This drew objections from some of our trading partners.

Do you intend to pursue this withdrawal of coverage?

Answer. As part of a review of whether our trade agreement obligations serve the interests of the United States, if confirmed, I will review the action taken to withdraw coverage of certain essential medical countermeasures from the Government Procurement Agreement and our trade agreements.

*Question.* One way to reduce our dependence on China is to expand opportunities with other countries in the region. I continue to have concerns about the Trans-Pacific Partnership (TPP) as the solution to that desired trade expansion.

Will you commit to opposing efforts to rejoin TPP? As an alternative, will you commit to pursuing a Phase Two agreement with Japan?

Answer. If confirmed, I will engage trading partners in the Asia-Pacific region that share our strategic and economic interests to counter the unfair trade practices that distort trade and harm workers. If confirmed, I will review the CPTPP to evaluate its consistency with the Build Back Better agenda and whether it would advance the interests of all American workers. I commit to consulting closely with Congress on any trade agreement negotiations.

*Question.* In March 2020, the USTR notified Congress of intent to negotiate a trade agreement with Kenya. Do you intend to continue to pursue these negotiations with Kenya?

Answer. Since announcing the negotiations, the United States completed two rounds of negotiations with Kenya. If confirmed, I plan to review the state of the negotiations with and Kenya, and, in consultation with the Congress, chart a path forward that reflects the Biden-Harris administration's commitment to a trade policy that prioritizes the interest of America's working families. If confirmed, I will also study the progress of the African Continental Free Trade Area (AfCFTA) to determine how the United States may support African integration efforts.

*Question.* As chair of the Senate Swiss Caucus, I believe a U.S.-Switzerland trade agreement would open up new agricultural markets and help "test drive" what a broader agreement with the European Union (EU) might look like.

Do you agree that a U.S.-Switzerland trade agreement should be a priority? What steps will you take to strengthen the U.S.-Switzerland trade relationship?

Answer. The Biden-Harris administration's current priority is securing the investments in the United States needed to support a strong recovery. Such investments would strengthen the United States' hand in all future trade negotiations. If confirmed, I will evaluate potential trade agreements on their ability to advance the interests of all American workers.

*Question.* While many companies have been squeezed as a result the pandemic-related economic downturn, the year ended without renewal of the Miscellaneous Tariff Bill (MTB). What role do you believe tariff relief plays in the economic recovery? Do you support renewing the MTB?

Answer. If confirmed, I commit to working closely with Congress to renew the Miscellaneous Tariff Bill.

*Question.* In 2018, China began to indulge protectionist impulses with respect to imports of certain waste and scrap paper. Just the other month, China banned imports of recovered paper. As you know, the United States has raised with China the inconsistency of China's import restrictions on recyclable materials with World Trade Organization (WTO) rules. These new restrictions seem to likely to further constitute a violation of those rules.

Will you commit to looking into these new import restrictions on recycled paper, and work with domestic industry who has been affected by these restrictions? Do you see an opportunity to include these import restrictions on paper within the scope of any future negotiations with China?

Answer. If confirmed, I commit to engaging in a review of how trade policy can advance the development of the circular economy. As part of that process, I will engage in close consultations with domestic industry and Congress. Given the importance of China to these discussions at the global level, I would hope that China would be interested in active discussions with the U.S. on this matter.

*Question.* Ohio is home to the largest domestic manufacturer of solar panels and washing machines. The section 201 safeguards on these products have helped level the playing field for domestic manufacturing.

Do you agree with those who have called for rolling back these tariffs? Will you commit to taking steps to support these domestic industries against unfair foreign competition?

Answer. The U.S. International Trade Commission determined that the U.S. domestic industry was seriously injured by increased imports of large residential washing machines. As a result, under section 201 of the Trade Act of 1974, the last administration put a remedy in place to counter those imports and the impact on domestic industry. If confirmed, I will ensure that U.S. trade laws are employed to ensure that American industries and jobs are protected from unfair trade practices and resulting market distortions.

*Question.* Strong intellectual property rights are vital for the success of Made in America manufacturing. For example, in Lordstown, Ohio, General Motors and LG Energy Solutions (LGES) have a joint venture to produce batteries for electric vehicles. Recently, the International Trade Commission (ITC) found that intellectual property violations had occurred with respect to LG's battery technology. As U.S. Trade Representative (USTR), you will be tasked with overseeing the public interest review of section 337 orders.

Can you describe how you intend to protect U.S. intellectual property in ways that maximize the ability of companies to manufacture in the United States?

Answer. If confirmed, I intend to oversee the review of ITC exclusion and cease-and-desist orders under section 337 in line with what was envisioned by Congress, as reflected in the legislative history, which includes considerations of the competitive conditions in the U.S. economy.

*Question.* The International Trade Commission (ITC) currently has a Republican vacancy. A full ITC is vital to the effective enforcement of our trade remedy laws. Will you be supportive of efforts to quickly fill that seat?

Answer. The U.S. International Trade Commission (ITC) plays a key role in implementing U.S. trade laws, including proceedings concerning imports claimed to injure domestic industry and investigations under section 201 of the Trade Act of 1974 and section 337 of the Trade Act of 1930. It also provides high-quality non-partisan analysis of trade issues to Congress and the executive branch. I support a fully functioning ITC.

*Question.* Invacare is an Ohio company that manufactures medical equipment for patients needing oxygen. Invacare is one of the many companies who have been impacted by the strain that COVID-19 has put on supply chains. Specifically, there are tremendous delays at major U.S. ports to offload shipping containers, which are filled with needed medical supplies and materials.

Do you believe that the government should consider prioritizing the unloading and processing of shipping containers containing supplies used to manufacture U.S. medical equipment? If confirmed, will you work with other agencies and foreign counterparts to address the shipping container backlog, especially as it relates to medical supplies?

Answer. The unloading and processing of shipping containers is primarily the responsibility of Customs and Border Protection (CBP). The response to the COVID-19 pandemic and the disruptions it has created in the U.S. supply chain of critical supplies requires a whole-of-government response. If confirmed, I commit to working with other agencies to address all aspects of the challenges we face to getting medical supplies where they are needed.

## QUESTIONS SUBMITTED BY HON. SHERROD BROWN

## TAKING ACTION

*Question.* As you know, Ohio is home to state-of-the-art manufacturing and produces of a wide range of products, from electrical steel to mattress components to textiles. Thousands of hardworking Ohioans rely on the Federal Government to stand up for them and fight back against unfair trade practices that disadvantage Ohio workers and the communities they live in.

As the Department of Commerce conducts investigations into unfair trade practices and makes recommendations to the President regarding remedies to defend domestic industries or address potential threats to national security, will you commit to fully reviewing Commerce's recommendations, and—where appropriate—supporting transparency on these reports and acting on Commerce's recommendations?

*Answer.* If confirmed, I commit to working closely with the Department of Commerce to combat unfair trade practices and enforce U.S. trade agreements and laws.

## SEMICONDUCTOR SHORTAGE

*Question.* There was a lot of discussion during the hearing on the ongoing semiconductor shortage and the urgent need to respond. Semiconductors are an essential component in the auto supply chain; they also play a critical role in other industries. For example, Whirlpool in Ohio uses semiconductors to build their washers, dryers, and dishwashers.

Director Deese has already committed to working with Congress to strengthen the semiconductor manufacturing supply chain and institutionalize a supply chain review.

If confirmed, how will you work as USTR to help in this response and engage our international partners to encourage proactive steps to address the ongoing shortage?

*Answer.* If confirmed, I will pursue a trade policy that supports domestic manufacturing, and I will work closely with other Federal agencies to invest in critical supply chains, including semiconductor manufacturing. In addition, I will leverage trusted trade relationships to achieve supply chain resilience with our allies when appropriate.

## GLOBAL ACCESS TO MEDICINES

*Question.* In the same way that so many of our past trade deals have prioritized multinational corporations over American workers, these deals have also prioritized big pharma over patients. The COVID-19 pandemic has magnified the importance of global access to medicines. Diseases do not recognize borders—the health of Americans is intrinsically tied to the health of those around the world, and our trade policy must reflect this reality.

If confirmed, will you commit to engaging with stakeholders to prioritize public health and global access to medicines in U.S. trade policy?

*Answer.* As reflected by the President's recent pledge to COVAX, the Biden-Harris administration is committed to working with international partners to end the devastating public health and economic effects of this pandemic. The United States is working with partners to identify practical ways to catalyze the needed capacity to end this pandemic and respond to the next one. If confirmed, I will consult with stakeholders, including those that prioritize public health and global access to medicines, to advance the goal of collectively increasing access to and facilitating equitable distribution of COVID-19 vaccines.

## WORLD TRADE ORGANIZATION

*Question.* As was discussed during Thursday's hearing, many agree that it is past time for World Trade Organization (WTO) reform to ensure that both dispute settlement panels and the Appellate Body are not used as a venue for foreign governments and competitors to subvert the will of Congress and perpetuate unfair trade practices.

If confirmed, how will you approach WTO reform and how will you ensure that U.S. trade laws remain effective and are not weakened as a result of WTO dispute settlement proceedings?

*Answer.* If confirmed, I will work to re-engage with like-minded partners who similarly recognize the importance and necessity of reform of the WTO. Since the

founding of the General Agreement on Tariffs and Trade (GATT) in 1947, U.S. leadership has been critical at every juncture when the global trade system has required a major updating. This will be difficult work that may take some time, but I remain hopeful that with proper U.S. leadership, we can achieve the necessary reforms. This includes reforming WTO dispute settlement to prevent diminishing the rights and obligations of countries to use their trade remedy laws to counteract unfair trade practices.

BUY AMERICA

*Question.* I have worked for years to support Federal investment in and procurement of domestically manufactured goods and services. I was pleased to see President Biden's executive order on made in America, and I support the administration's work to increase government procurement of domestically manufactured goods and services.

If confirmed, will you commit to supporting President Biden's Buy America objectives and, in your role as USTR, work to eliminate barriers to the Federal Government's ability to apply robust Buy America requirements across government procurement?

Answer. President Biden's executive order on made in America is intended to ensure that when the Federal Government spends taxpayer dollars it is on goods made by American workers and with American-made components. President Biden has committed to make Buy American requirements real and close loopholes that allow companies to offshore production and jobs while still qualifying for domestic preferences. If confirmed, I will work closely with the President and other Federal agencies to ensure our trade policies support the objectives of this executive order.

QUESTIONS SUBMITTED BY HON. PATRICK J. TOOMEY

*Question.* In your hearing, I asked whether you agreed that, from a legal perspective, the President cannot unilaterally withdraw from a congressionally passed trade deal without the consent of Congress. During your time as Chief Trade Counsel at the House Ways and Means Committee, President Trump frequently threatened to withdraw from congressionally passed trade deals, and Chairman Neal in 2017 stated that if the President "even suggests that the United States should leave NAFTA, to undo that relationship, you would have to go back to Congress."

Free trade agreements are "congressional-executive agreements", which are different from treaties in that they are statutory. Both entering and withdrawing from trade agreements requires changes to statute, and only Congress is vested with legislative powers.

Do you believe that a President can unilaterally withdraw from a congressionally passed trade deal without the consent of Congress?

Answer. If confirmed, I will consult closely with the Senate Finance Committee and Congress on trade negotiations and agreements.

*Question.* Trade Promotion Authority (TPA) is authorized through July 1, 2021. TPA provides the guidelines through which the executive branch and Congress can work together to negotiate new trade agreements, and includes important transparency and oversight commitments.

As USTR, will you support the renewal of TPA in 2021?

Does the administration plan to continue negotiating comprehensive FTAs with the UK and Kenya? What timeline can we expect for these negotiations?

Answer. If confirmed, I will consult closely with Congress on any trade legislation advanced by the Senate Finance Committee. As U.S. Trade Representative, I will work to pursue trade policies that receive bipartisan support in Congress.

In 2020, the United States officially launched negotiations to establish free trade agreements with Kenya and the United Kingdom. Since announcing the negotiations, the United States completed two rounds of negotiations with Kenya and four rounds of negotiations with the United Kingdom. If confirmed, I plan to review the state of the negotiations with the United Kingdom and Kenya, and, in consultation with the Congress, chart a path forward that reflects the Biden-Harris administration's commitment to a trade policy that prioritizes the interest of America's working families.

*Question.* The Trump administration declined to renew the exclusion process for section 301 tariffs, further hurting American businesses and consumers in the midst of a pandemic. Supply chains take years to establish, and many businesses are unable to quickly shift production to other countries or facilities without compromising their procurement process or product quality.

If confirmed as USTR, can you commit to renewing the section 301 exclusion process, or at minimum temporarily extending the exclusions until the administration makes a decision on how to best address China's unfair trade practices?

The product exclusion process lacked consistency and placed significant burdens on those wishing to apply for exclusions. What data or measures will USTR use to determine when to approve or disapprove an exclusion request?

What steps will you take to ensure that the exclusion process is transparent?

How would you factor in disruptions to supply chains when granting exclusions to tariffs?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and assess the impact on U.S. businesses, workers and consumers. Further, I will ensure that any tariff exclusion process is transparent, fair and objective.

*Question.* The previous administration did temporarily extend the section 301 exclusions on COVID-related medical products. However, this short-term extension is slated to expire at the end of March. I introduced legislation last Congress to extend tariff-free treatment on these products through 2022, in order to make sure that Americans have access to the supplies they need to fight COVID.

As USTR, will you extend section 301 exclusions on medical supplies needed for the COVID-19 response until the end of the pandemic?

Will you consider granting exclusions for medical supplies that are COVID-related but never received an exclusion?

*Answer.* The United States imposed tariffs on products from China as a result of an investigation conducted under section 301 of the Trade Act of 1974 that found China engages in unfair trade acts policies and practices related to intellectual property, innovation, and technology transfer. If confirmed, I will review the existing exclusions with respect to COVID-19 related medical products to ensure that the application of the 301 tariffs supports the U.S. response to the pandemic.

*Question.* I have introduced a resolution in the Senate expressing the sense of the Senate that the United States should begin negotiations to enter into a comprehensive trade agreement with Taiwan. I believe that this is a clear opportunity for a mutually beneficial agreement, and would both expand U.S. access to foreign markets and strengthen our position in the Indo-Pacific region. If the United States wants to encourage a free and open Indo-Pacific and counter Chinese influence in the region, do you agree that accomplishing that task will include working with like-minded countries in the region, like Taiwan, to liberalize trade?

Would you support beginning negotiations on a trade agreement with Taiwan?

Would you support the U.S. joining a TPP-style multilateral agreement to further strengthen our position in the region?

*Answer.* Taiwan is an important democratic partner of the United States, and we have had a Trade and Investment Framework Agreement dating back to 1994. Much has changed in the world since the original TPP was signed in 2016. If confirmed, I will review the CPTPP to evaluate its consistency with the Build Back Better agenda. I commit to consulting closely with Congress on trade agreement negotiations.

*Question.* Investor State Dispute Settlements or ISDS, is an integral part of many of our trade agreements. USMCA severely restricted the scope of the Investor-State Dispute Settlement System with Mexico, a move I criticized as against U.S. interests.

As USTR, can you commit to prioritizing the enforcement of ISDS under USMCA?

Do you support the inclusion of strong ISDS provisions in forthcoming FTA's that the US may pursue?

Do you believe that ISDS provisions encourage offshoring?

Answer. President Biden has stated that he does not believe corporations should get special tribunals in trade agreements that are not available to other organizations and that he opposes the ability of private corporations to attack labor, health, and environmental policies through the investor-state dispute settlement system. If confirmed, I will pursue a trade agenda consistent with the Biden-Harris administration's Build Back Better agenda.

*Question.* USMCA contains an unprecedented provision that would cause the agreement to automatically expire, or "sunset," after 16 years, unless all party countries agree to affirmatively "opt-in" every 6 years. I have significant concerns about this provision, in particular its tendency to create uncertainty and diminish investment.

Do you believe that our future trade agreements should automatically expire?

Answer. If confirmed, I will work to advance trade policies that address the climate crisis, bolster sustainable renewable energy supply chains, end unfair trade practices, discourage regulatory arbitrage, and foster innovation and creativity. In addition, I am committed to ensuring these trade policies are crafted to accommodate future changes in the economy and to prevent the obligations from becoming outdated or obsolete.

*Question.* USMCA, at the last minute, also removed provisions designed to secure strong intellectual property protections for U.S. companies.

Do you support the inclusion of IP protection for biologics in upcoming trade agreements?

More broadly, how do you plan to support U.S.-based IP-intensive industries through trade policy and ensure they are treated fairly by our trading partners?

Answer. Innovators play a critical role in America's economy, including by ensuring that the U.S. maintains its leading edge in technology and producing high-quality jobs for workers. USTR supports American innovators in overseas markets through its Special 301 review, bilateral engagements with trading partners, and its efforts in various multilateral institutions, including the WTO. I am aware that there are a variety of views on whether protection for biologics should be included. If confirmed, I commit to engaging with stakeholders and members of Congress on this issue.

*Question.* USTR is not the agency responsible for conducting section 232 investigations or writing up the investigation report. However, USTR is still frequently involved in the decision on whether to impose tariffs, based on the findings of the 232 investigation report. The previous administration failed to release several of their 232 investigation reports, despite being statutorily mandated to do so. The previous administration additionally took a very broad interpretation of the term "national security" in the 232 statute, interpreting this guidance to explicitly include goods "beyond those necessary to satisfy national defense requirements" in its scope.

As USTR, can you commit to in your advisory capacity encouraging the President to release these overdue 232 reports?

Do you believe that the executive branch should be obligated to release its congressionally mandated 232 report prior to the imposition of tariffs?

As the President Biden's top trade advisor, would you recommend that he adopt an expansive definition of "national security" under section 232, or do you feel that section 232 investigations should be limited to investigating goods with clear applications in military equipment, energy resources, and/or critical infrastructure?

Do you think foreign automobiles are a threat to national security?

Do you think carbon emissions are a threat to national security?

Answer. If confirmed, I commit to working closely with the Department of Commerce on combating unfair trade practices and enforcing U.S. trade agreements and laws and ensuring that our trade laws and policies are employed to support the Build Back Better agenda and creating and retaining good high-paying jobs in the United States.

*Question.* Many of my constituents have been directly impacted by the previous administration's section 232 tariffs on steel and aluminum. These policies have added complexity and greatly increased costs for American importers, and this approach must be carefully examined to determine the downstream economic costs.

Will you as USTR recommend to President Biden that the United States remove our current section 232 tariffs on steel and aluminum?

In your hearing, when asked about section 232 steel tariffs, you noted the issues of Chinese overcapacity in the steel industry. However, there are other remedies—safeguards, anti-dumping, and countervailing duties—that are designed to address problems of dumping and overcapacity. Why are national security tariffs needed?

*Answer.* State-owned enterprises (SOEs) that do not operate based on market principles, using subsidies and other unfair trade practices, have contributed significantly to global market distortions, notably in the steel and aluminum industries. If confirmed, I will work with our allies to collectively address market distortions caused by SOEs, subsidies, and other unfair trade practices in the steel and aluminum sectors. In addition, I will pursue trade enforcement actions against trading partners that use SOEs and other practices to disadvantage U.S. businesses and their workers, and I will pursue disciplines in trade agreement negotiations aimed at addressing SOEs and such unfair practices.

*Question.* President Trump's trade war with China has now extended several years, yet China has still taken few steps to reform their unfair trade practices. Instead, these tariffs have primarily had the effect of causing retaliatory tariffs against U.S. exporters, including many of Pennsylvania's manufacturers and agriculture industries. While it is important to ensure that our trading partners live up to their international trade commitments, I am concerned about the use of tariffs as a primary remedy.

President Biden has previously discussed the need to carefully evaluate the economic impact caused by the tariffs. Do you believe that tariffs are the best mechanism to address the issues of forced technology transfer and intellectual property theft?

Will you recommend the elimination of any of the punitive section 301 tariffs that harm American businesses and families, and encourage the pursuit of an alternative, effective, strategy?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and assess the impact on U.S. businesses, workers and consumers. Further, I will ensure that any tariff exclusion process is transparent, fair, and objective.

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QUESTIONS SUBMITTED BY HON. MICHAEL F. BENNET

*Question.* Food and agricultural exporters in my State are facing significant challenges exporting their products from western ports because of container availability, excessive charges, and general shipping and transit delays.

Will you work with others in the administration to address these current problems and ensure producers are able to reliably export their products without excessive charges or delays?

*Answer.* If confirmed, I will consult closely with Congress and will work with other Federal agencies to address food and agricultural transportation issues.

*Question.* The trade war with China created immense uncertainty throughout Colorado's economy. Not only were the tariffs devastating, but the process through which the Trump administration conducted the trade war exacerbated the unknown and made it hard for Colorado constituents to make important business decisions.

If the USTR decides to seek future tariff actions, how will you conduct the tariff exclusion process with more transparency and clarity?



Will you work with Congress on the tariff exclusion process and provide updates that we can share with our constituents?

Will you consider temporarily extending all previously approved exclusions?

You and Secretary Yellen have indicated the tariffs will undergo a review process. What is the timeline for this review process?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and assess the impact on U.S. businesses, workers and consumers. Further, I will ensure that any tariff exclusion process is transparent, fair and objective.

*Question.* As you know, in 2018, the Trump administration placed tariffs on imported solar cells and modules for 4 years under section 201 authorities. A last-minute executive order in 2020 further disrupted our country's vibrant solar industry. We need to expand our country's clean energy supply chain, but there are far better tools that don't come at the expense of climate progress or domestic jobs.

Given the Biden administration's emphasis on climate change, how will you approach the solar tariffs and ensure our trade policy supports renewable energy investment.

*Answer.* After the U.S. International Trade Commission determined under section 201 of the Trade Act of 1974 that increased imports of solar cells and modules severely damaged the U.S. domestic industry, the last administration established a 4-year remedy, currently set to expire on February 6, 2022. The Biden administration has made the increased use of renewable energy, including solar, a core component of its policy to combat climate change. If confirmed, I will examine the safeguard action in light of those goals, the security of our renewable energy supply chain, and the impact on U.S. businesses and jobs.

*Question.* Section 230 of the Communications Decency Act has provided the largest tech companies broad immunity for the content on their platforms and made it harder to hold them accountable. Until we implement much-needed reforms, section 230 as written is not a model we should export.

Do you agree that the United States should not seek to export provisions similar to Section 230, as written today, in international trade agreements?

*Answer.* I know that there are a wide variety of views on this issue, and I commit to ensuring that stakeholders, including Congress, are considered on this and other provisions of our trade agreements.

*Question.* As you know, the Trade Promote Authority (TPA) allows the U.S. to pursue new trade agreements in a timely manner, helping our agriculture exporters compete internationally.

Will you commit to working with Congress to pass new TPA legislation in a timely manner?

*Answer.* If confirmed, I will consult closely with Congress on trade negotiations and trade legislation advanced by the Senate Finance Committee. I will work to pursue trade policies that receive bipartisan support in Congress.

*Question.* Non-tariff trade barriers, such as common food names, can create uneven playing fields and make it harder for producers to reliably compete.

What steps will you take to address non-tariff barriers and ensure producers have fair access to markets?

*Answer.* U.S. farmers and ranchers deserve fair access to the global agricultural marketplace. If confirmed, I commit to aggressively fighting against unfair and discriminatory non-tariff barriers our farmers and ranchers face.

*Question.* In negotiating trade agreements, how will you consider common food name use and other non-tariff trade barriers?

Answer. If confirmed, I commit to prioritizing the use of common food names during future trade negotiations and seeking to remove other non-tariff barriers that are inconsistent with advancing U.S. agricultural interests.

*Question.* Since 1996, Mexico has limited U.S. fresh potato imports to 26 kilometers from the U.S.-Mexico border. This week, the Mexican Supreme Court was supposed to release a final ruling on the trade restriction, but that decision was delayed. Will you work with me to ensure Colorado potato growers have fair access to the entire Mexico market?

Answer. I appreciate the longstanding difficulties that U.S. fresh potato growers in Colorado have faced in gaining full access to the Mexican market. If confirmed, I look forward to working to solve unfair trade practices that harm our producers.

*Question.* The Airbus/Boeing dispute tariffs are significantly affecting the Colorado small businesses. Restaurants in particular, which are already struggling due to the pandemic, are facing substantial costs on European food, wine, and spirits.

If confirmed, what will be your first steps regarding the EU Airbus/Boeing dispute?

Answer. If confirmed, I will make it a priority to review the status of these long-term disputes and seek a resolution that finally addresses the unfair practices found through the WTO process that disadvantage U.S. industry and workers.

*Question.* Will you work with a wide range of interests to understand the tariffs' impacts on their industries, including restaurants?

Answer. The purpose of the dispute resolution process is to ensure that other countries play by the rules so that our businesses, workers, farmers and ranchers can compete on a level playing field. Tariffs may be a tool to achieve these ends, but they are not the goal. The focus must be on the resolution of the issue that has been found to impact our industry and workers. If confirmed, I will ensure that our trade enforcement actions consider the impact of tariffs on U.S. businesses and workers.

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QUESTIONS SUBMITTED BY HON. BILL CASSIDY

DUTY DRAWBACK

*Question.* Duty drawback allows for the refund of Customs duties, Federal taxes, and fees paid on imported goods that are used as inputs in the production of manufactured products that are later exported, or where the imported good is substituted for the same or a similar good manufactured in the U.S. that is later exported. The drawback program allows U.S. manufacturers and exporters to reduce the cost of inputs, and thus reduce manufacturing costs to remain competitive in pricing their exported goods. In today's environment, duty drawback continues to level the playing field for U.S. producers who export to compete in the global market. Congress expanded drawback in 2016 with the passage of the Trade Facilitation and Enforcement Act (TFTEA) by expanding substitution drawback for all U.S. manufacturers to 8-digit Harmonized Tariff Schedule numbers.

If you are confirmed as U.S. Trade Representative, what policies will you and USTR put in place for the drawback program, and do you support the reforms made under TFTEA?

Answer. Customs and Border Protection (CBP) is responsible for the implementation and administration of the duty drawback rules and regulations, including the amendments enacted in the Trade Facilitation and Enforcement Act of 2015. If confirmed, I will work with the Department of Homeland Security, CBP, and other Federal agencies to ensure that the Biden-Harris administration's trade policies support the Build Back Better agenda and the recovery of the U.S. economy.

*Question.* Will you work to ensure that USTR continues to work to include full duty drawback rights in free trade agreements?

Answer. If confirmed, I will work with Congress and relevant stakeholders to ensure our trade agreements include provisions that support the economic investments we make to recover from the COVID-19 pandemic and retain and create high-wage, secure jobs in the United States.

## CHART INDUSTRIES AND SECTION 232 TARIFFS

*Question.* Our tariff and trade policy has inconsistencies that must be fixed so that our domestic manufacturers and workers are not harmed. The system is broken when the Commerce Department grants a U.S. manufacturer an exclusion from the application of section 232 tariffs on raw materials because they are not available in the U.S., but then allows U.S. producers to include the same raw materials in the scope of antidumping order.

For example, Chart Industries, Inc., a U.S.-headquartered company, has manufacturing and distribution operations in Louisiana, Wisconsin, and Texas. Chart employs several hundred U.S. workers while supporting U.S. fin stock aluminum producers in Pennsylvania, among many other vendors and suppliers in the U.S. transportation and packaging industries. Chart is the sole domestic manufacturer of brazed aluminum heat exchangers (BHAX) for processing liquefied natural gas (LNG). Because the clad sheet used by Chart is not made in the U.S., Commerce has now twice excluded imports of the clad sheet from the section 232 tariffs. Yet, this same clad sheet is allowed to be included in a current antidumping case, which could result in the application of antidumping duties against Chart's clad sheet imports.

If action is not taken to reconcile the trade laws, this inconsistency in the trade laws may negatively impact our U.S. manufacturers' production costs and competitiveness by unnecessarily increasing raw material inputs. My concern is the adverse long term impact that it may have not only on our U.S. mills, BAHX producers and their workers, but also any adverse effects on our LNG producers who are investing billions of dollars in the U.S. on LNG production and export terminals that require these specialty heat exchangers in order to get their product to market.

Though I understand much of this falls within the jurisdiction of the Commerce Department, what thoughts do you have on how the USTR can work in collaboration with other agencies to address such inconsistencies?

Answer. Robust interagency collaboration strengthens policy outcomes. If confirmed, I commit to working closely with the Department of Commerce and other agencies to combat unfair trade practices and enforce U.S. trade agreements and laws.

## SUGAR—BRAZIL

*Question.* Brazil has long sought to link expanded access to the U.S. market for its sugar to the U.S. goal of securing preferential access to Brazil's market for ethanol. Certain actions were taken toward the end of the last administration that created the unfortunate perception that sugar access to the U.S. market was being traded for ethanol access to Brazil. Specifically, USTR and Brazil announced on September 11th a 90-day consultation initiative to "conduct results-oriented discussions on an arrangement to improve market access for ethanol and sugar in Brazil and the United States." At that time Brazil granted a 90-day pro-rated extension of its TRQ for U.S. ethanol, while USTR announced on September 22nd an additional FY2020 raw cane sugar TRQ allocation of 80,000 metric tons raw value for Brazil (and 10,718 MTRV for Australia). Brazil's ethanol TRQ extension expired on December 14th, and all U.S. ethanol now entering Brazil faces a 20 percent applied Common External Tariff.

Given Brazil's track record as a heavy subsidizer of its sugar and ethanol industries, would you agree that the legitimate pursuit of improved access for U.S. ethanol to Brazil should not come at the expense of U.S. sugar farmers?

Answer. In my testimony, I emphasized that no U.S. stakeholder should be prioritized over another during trade negotiations. If confirmed, I commit to ensuring that no new agricultural market access comes at the expense of other agricultural stakeholders.

## SUGAR—WTO QUOTA ALLOCATION METHODOLOGY

*Question.* There have been indications over the past year or so that USTR and USDA are considering revising the methodology used by the United States to allocate our WTO sugar quota. This quota has traditionally been allocated in varying amounts to 40 countries based on a longstanding formula, with reallocations being carried out later in the fiscal year to account for nonperformance. While it is understood there may be some inefficiencies built into the current methodology, there are

also elements to the arrangement that benefit the overall operation of existing sugar policy.

Can you provide your assurance that USTR will engage in thorough consultations with both USDA program managers and industry stakeholders regarding potential changes to the existing allocation process before any such changes are instituted?

Answer. If confirmed, I commit to consulting with USDA program managers and industry stakeholders before any changes to the current allocation process take place.

#### SPIRITS

*Question.* Since June 2018, certain American spirits exports to the EU and UK have faced a 25-percent tariff in response to the U.S. imposition of tariffs on steel and aluminum, and in connection with the WTO dispute concerning Boeing. Absent a resolution to the steel tariffs, the EU's tariff on American Whiskey will automatically double to 50 percent in June. The U.S. has imposed a 25 percent tariff on certain EU and UK wines and spirits imports since October 2019 in connection with the WTO Airbus dispute. The negative impact of these tariffs are being felt across the U.S. from farmers, to suppliers, retailers, and the hospitality sector.

What are your thoughts on how this situation can be improved?

Answer. The purpose of the WTO dispute resolution process is to ensure that other countries play by the rules so that our businesses, workers, farmers, and ranchers can compete on a level playing field. Tariffs may be a tool to achieve these ends, but they are not the goal. The focus must be on resolving the issue that has harmed our industry and workers. If confirmed, I will make it a priority to review the status of these long-term disputes and evaluate the use of tariffs, including their impact on unrelated industries, to ensure U.S. trade tools maximize the benefit and minimize the cost for U.S. industries, workers, and consumers.

#### MEXICO—PETROLEUM EXPORTS

*Question.* Mexico is the largest export market for U.S. petroleum products and is a growing market for natural gas exports. U.S. exports of refined products to Mexico have tripled over the past decade. An integrated North American energy market benefits U.S. fuel manufacturers, workers, and ultimately Mexican consumers. Following Mexico's 2014 constitutional reforms allowing private participation in the Mexican energy sector, U.S. companies invested billions of dollars to develop energy infrastructure in Mexico and in the United States to import fuel from our refineries to satisfy Mexican demand, resulting in infrastructure development and increased employment in both countries.

Despite this progress, recent reports indicate that the Mexican government is providing preferential regulatory treatment for Petróleos Mexicanos (PEMEX) and delaying or canceling permits for U.S. energy companies. These anecdotal experiences seem to give the credence by President of Mexico, Andres Manuel Lopez Obrador, to reestablish state control over energy markets. Additionally, members of the governing party, MORENA, have presented constitutional initiatives that would roll back the historic 2014 Energy Reform and seek to relinquish all contracts currently in force.

All these actions by the President of Mexico go against the spirit of the historical agreement between our countries under the USMCA.

While we respect Mexico's sovereign right to decide its energy policy, how will you hold the Mexican Government accountable in living up to the commitments of the USMCA?

Answer. If confirmed, I will review the reports of discriminatory action in Mexico's energy sector that you highlighted, and I will consult with stakeholders and Congress on these issues. I commit to quickly engaging the Mexican government when there are USMCA violations and using all dispute settlement tools to fully enforce the USMCA when necessary.

#### COUNTERFEITS

*Question.* Amidst the COVID-19 pandemic, it is critical that we protect citizens against fake and counterfeit products that damage our economy and put consumer health and safety at risk. Businesses and consumers in recent years have seen an explosion of fake and counterfeit goods sold via online and e-commerce platforms, putting the health and safety, and the competitiveness of businesses and workers,

at risk. I understand USTR puts together an annual Special 301 report on global IP issues, including counterfeiting works to develop action plans to address these and other issues with key trading partners.

I also note that my office has introduced legislation to combat the spread of counterfeits—the SANTA Act and the INFORM Consumers Act, and we would be happy to discuss this legislation with you or your staff at any time.

How can USTR act to combat the rising tide of online counterfeits?

Is there any way our office can partner with you in working to combat the sale of dangerous, counterfeit products?

Answer. USTR has a variety of tools at its disposal to combat the production and distribution of fake and counterfeit goods that threaten American workers, innovators, and consumers. Besides the Special 301 report, USTR also undertakes an annual process to identify notorious markets for counterfeiting and piracy, which highlights online and physical markets. USTR also engages in regular consultations with our trading partners over their laws, regulations, enforcement, and other policies to enhance their efficacy in combating online counterfeiting. Strong support from Congress is vital on all of these fronts. If confirmed, I look forward to working with your office and this committee to find ways to bolster USTR's capabilities to undertake this important work.

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QUESTIONS SUBMITTED BY HON. MARK R. WARNER

*Question.* For several years now USTR's digital trade agenda has simply not reflected reality. A large number of our closest trading partners and security allies are increasingly turning to regulate digital services—whether in terms of promoting competition, preventing consumer harms, combatting disinformation, or making technology firms pay their fair share of taxes.

It's imperative that we work on a digital trade strategy that can garner the support of our allies and close trading partners. And a key part of that is going to entail jettisoning some of the more laissez-faire approaches the U.S. has tried to impose upon trading partners—despite ample indications that the U.S. is the global outlier when it comes to privacy, digital taxation, intermediary liability, and competition policy.

That's not only not realistic but it's not a good use of U.S. political capital, as we try to collaborate with these same trading partners and close security allies to address China's unfair trade practices and security risks.

Will you commit to a comprehensive reevaluation of USTR's digital trade efforts over the last 4 years, including working to ensure that the U.S. digital trade agenda is better harmonized with key allies and trading partners like the UK, Australia, France, and Canada?

Will you reverse USTR's efforts to bully Australia—a vital regional security ally—as it seeks to pursue digital competition efforts similar to those being proposed in the UK and U.S.?

Answer. It is a priority of the Biden-Harris administration to work closely with America's allies to more effectively address the many challenges posed by China. If confirmed, I will work with my colleagues at the Treasury Department to address the digital services tax as part of the multilateral effort to address base erosion and profit shifting through the OECD/G20 process. I will also work with the Department of Commerce as it seeks to conclude an Enhanced Privacy Shield Framework that addresses the concerns raised by the European Court of Justice and enables the safe transfer of data between the European Union and the United States. I will consult closely with Congress on a broader digital trade agenda.

Australia's "News Media and Digital Platforms Bargaining Code" Bill 2020 and initiatives in other countries are designed to address certain outcomes in the digital marketplace. I am aware that there are a wide variety of views on the novel approaches that Australia and others are taking with respect to competition in advertising in the digital age. If confirmed, I commit to reviewing USTR's position and engaging with stakeholders and Congress on this issue.

*Question.* I have made no secret of my strong opposition to the inclusion of intermediary liability safe harbors modeled on section 230 in new trade agreements.

Until USMCA, this provision had not been included in a single free trade agreement in the over 23 years since section 230 was originally enacted. And I am not alone—as members of Congress become more aware of how devastating section 230 has been in the U.S. as it pertains to civil rights violations, harassment and abuse campaigns, and online fraud, the chorus of opponents of inclusion of this provision has only grown, as has support for reforming this badly outdated law.

In December, I wrote to your predecessor with Senator Portman, Senator Grassley, and Senator Blumenthal urging USTR to refrain from including these provisions in the U.S.-UK trade agreement that was under negotiation.

Will you commit to refraining from including this provision in any new executive agreements, free trade agreements, or the negotiating objectives of the U.S. in the e-commerce negotiations?

Answer. There are a wide variety of views on this issue, and I commit to consulting with relevant stakeholders, including Congress, on this and other provisions of our trade agreements.

*Question.* We have seen public reports that Russia and other nefarious state actors may be attempting to steal intellectual property from American companies and the U.S. Government as our country has labored to develop successful vaccines.

Under your leadership, how will USTR combat against intellectual property theft and work to uphold respect for Rule of Law globally?

Answer. If confirmed, I will prioritize the enforcement of intellectual property protections included in our trade agreements. As I said in my testimony, good governance, rule of law, and anti-corruption are fundamental values that we must work to hold our trading partners to.

*Question.* A key pattern we see repeatedly from China involves its massive subsidies provided to targeted industries, creating immense excess capacity, which get dumped in the U.S. and global markets. Current remedies have been insufficient to deal with this threat. How do you plan to address this? Are there new disciplines or tools that could be developed to effectively address this challenge?

Answer. State-owned enterprises (SOEs) that do not operate based on market principles, subsidies and other unfair trade practices disadvantage U.S. businesses and their workers and have contributed significantly to global market distortions, in the steel industry and many other sectors. If confirmed, I will work with our allies to collectively address market distortions caused by SOEs and other unfair trade practices. In addition, I will pursue trade enforcement actions against trading partners that use SOEs and unfair trade practices to disadvantage U.S. businesses and their workers, and I will pursue disciplines on SOEs and such practices in trade agreement negotiations.

*Question.* Deepening our relationship with India is a key part of any effort to counter China's growing influence—both regionally and internationally.

However, it's clear that India needs to make a range of market access and liberalization reforms before we can move forward on any meaningful FTA negotiations.

Yet recent protests by farmers in India—involving millions of farmers engaged in protests and organized boycotts—indicate that even modest reforms in areas like agriculture could be a major undertaking.

What is your view on the prospect for Indian market reforms?

What are realistic trade objectives for the U.S. to pursue with respect to India?

Answer. India's fast-growing economy provides new opportunity for America's exporters, including our farmers, manufacturers, and service providers. It is an ongoing challenge to balance the United States' interest in enhancing our trade relationship with India the need to address Indian policies that discriminate against U.S. exports and digital service firms. If confirmed, I will consult closely with Congress to ensure our trade policy strikes the right balance.

*Question.* As you know, I have been an outspoken critic of China and the national security threat posed by its industrial espionage and the links between Chinese industries and their military.

That being said, I believe the haphazard and unilateral approach of the Trump administration, including the use of section 301 tariffs on goods imported into the U.S., has not been effective in addressing these issues. These actions have raised

costs for U.S. consumers, and in too many cases undercut the ability of U.S. companies to compete with Chinese and other non-U.S. competitors.

Many U.S.-headquartered companies have been taking steps to shift their manufacturing and supply chains out of China, but have been hampered by the global pandemic and resultant travel restrictions all across the globe, delaying the timelines for their transitions well into 2021. While USTR did grant many exclusions and extensions to these companies, all of the exclusions expired at the end of 2020 without USTR providing an opportunity to petition for extensions.

Are you considering reinstating the tariff exclusions that had been granted in the past, or establishing a process that allows companies to reapply for exclusions for some period of time while the administration works on a more comprehensive policy to address trade with China?

Answer. If confirmed, I commit to assessing the section 301 tariffs and exclusion process as part of President Biden's comprehensive approach to confronting the China challenge.

*Question.* The solar industry employs thousands of workers in Virginia. We currently have 1.3 gigawatts of installed solar capacity, and many more expected to be installed in the coming years. I believe our trade policy should not artificially stymie this growth in the clean energy sector.

Unfortunately, the previous administration imposed section 201 tariffs on imported solar panels and cells. As a result, thousands of workers nationally have been laid off or not hired; \$19 billion in private-sector investment has been lost, and U.S. solar module prices are among the highest in the world.

In October 2020, the Trump administration issued a proclamation that would increase the tariffs for 2021. This will be highly disruptive for businesses that made investment decisions based on the original tariff schedule.

What steps are you considering to alleviate uncertainty on solar companies and create a sustainable path forward for this industry?

Answer. After the U.S. International Trade Commission determined under section 201 of the Trade Act of 1974 that increased imports of solar cells and modules severely damaged the U.S. domestic industry, the last administration established a 4-year remedy, currently set to expire on February 6, 2022. The Biden-Harris administration has made the increased use of renewable energy, including solar, a core component of its policy to combat climate change. If confirmed, I will examine the safeguard action in light of those goals, the security of our renewable energy supply chain, and the impact on U.S. businesses and jobs.

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QUESTION SUBMITTED BY HON. SHELDON WHITEHOUSE

*Question.* As you know, the previous administration took many actions to hurt the clean energy industry. One notable move was imposing tariffs on solar panel imports. Before Trump left office he increased these tariffs through a presidential proclamation. In my view, this was unnecessary.

As you help chart a path forward for the administration on solar trade issues, will you consider the important role imports play in helping to address climate change while we grow manufacturing here at home?

Will you support revocation of this presidential proclamation and revisit the existing tariffs?

Answer. After the U.S. International Trade Commission determined under section 201 of the Trade Act of 1974 that increased imports of solar cells and modules severely damaged the U.S. domestic industry, the last administration established a 4-year remedy, currently set to expire on February 6, 2022. The Biden-Harris administration has made the increased use of renewable energy, including solar, a core component of its policy to combat climate change. If confirmed, I will examine the safeguard action in light of those goals, the security of our renewable energy supply chain, and the impact on U.S. businesses and jobs.

## QUESTIONS SUBMITTED BY HON. STEVE DAINES

*Question.* It is clear China has not been transparent in how it is meeting intellectual property commitments in the Phase One agreement.

Do you support the inclusion and enforcement of high standard intellectual property protections in future trade negotiations, whether with China or other trading partners?

Answer. Yes, if confirmed, I will pursue the inclusion and enforcement of high standard intellectual property protections in future trade negotiations in all instances where doing so will deliver meaningful outcomes that serve the interests of American innovators and workers.

*Question.* As you know, the softwood lumber dispute with Canada is longstanding, and unfairly subsidized Canadian softwood lumber imports have had a significant impact on Montana jobs.

What will be your priorities regarding the softwood lumber dispute with Canada?

Will you commit to working with the Department of Commerce to ensure that U.S. trade laws are fully enforced to support U.S. jobs from subsidized Canadian imports?

What assurances can you provide that the administration will not implement WTO Panel decisions in a way that would undermine the effectiveness of U.S. trade laws?

Answer. The Department of Commerce and U.S. International Trade Commission have repeatedly found that the U.S. lumber industry is harmed by Canadian subsidies and unfair trade practices. If confirmed, I commit to working with other agencies and departments to ensure that U.S. trade laws and remedies are employed to counter unfair trade practices, and to vigorously defending those laws when challenged. The United States has a process for implementing WTO determinations with respect to trade remedy laws set out under section 129 of the Uruguay Round Agreements Act, and I will ensure that the Biden-Harris administration follows the process established by Congress.

*Question.* If confirmed, will you work to address non-tariff barriers on crop protection tools, biotechnology, and ensuring sanitary and phytosanitary standards are based on sound science and risk-based regulatory systems?

Answer. The United States is the global leader in cutting edge biotechnology, and U.S. farmers and ranchers deserve fair access to the global agricultural marketplace. If confirmed, I commit to aggressively fighting against non-tariff barriers that are not based on science and risk and limit our producers' access to foreign markets.

*Question.* As you know, many agricultural commodities have been targeted by the European Union with retaliatory tariffs due to disputes over Boeing/Airbus and other issues. In particular, Hard Red Spring wheat has been harmed by WTO sanctioned punitive tariffs on U.S. grown non-durum wheat. Until the Airbus/Boeing dispute is resolved, or the tariffs are lifted in negotiations, U.S. wheat growers will be at a disadvantage in the marketplace relative to competitors in Canada and elsewhere.

What steps can be taken to find a negotiated solution and put the respective tariffs on hold?

Other agriculture commodities have been impacted as well. Will you commit to working to lift these retaliatory tariffs?

Answer. The purpose of WTO dispute resolution process is to ensure that other countries play by the rules so that our businesses, workers, farmers and ranchers can compete on a level playing field. Tariffs may be a tool to achieve these ends, but they are not the goal. The Boeing/Airbus WTO litigation has been ongoing for more than 15 years. If confirmed, I will make it a priority to resolve this long-running dispute in a way that ensures Boeing and its workers can compete on a level playing field and that takes into account all affected stakeholders.

*Question.* China made several commitments in the Phase One deal to open its market and reduce interventions related to financial services.

Will you commit to holding China accountable to enforcing those commitments and prioritize ensuring that U.S. financial services companies are able to operate in China?



Answer. If confirmed, I will hold China accountable for the full range of commitments that have been made to the United States, including those relating to U.S. financial companies.

*Question.* President Biden recently spoke to Prime Minister Trudeau in their first official meeting. The Keystone XL Pipeline has long been supported by Canada and ensures safe and reliable importation of Canadian crude into the U.S. to be refined, consumed, and traded. Without the pipeline, this oil continues to come into the U.S. but instead is transported by rail or truck, which increases emissions and decreases the safety of its transportation. President Biden's decision to halt the pipeline has strained our trade relationship with Canada and its provinces. In fact, the Premier of Alberta called it a "gut-punch" to U.S.-Canada's trade relationship.

What will you do to mend this relationship, and how will you represent the U.S. in any trade disputes that may arise due to the cancellation of the Keystone XL Pipeline?

Answer. The trade and economic relationship with Canada is of vital importance to the United States. On February 23, 2021, President Biden held his first bilateral meeting since taking office with Prime Minister Trudeau. Together, they announced the roadmap for a renewed U.S.-Canada partnership. If confirmed, I look forward to strengthening the U.S.-Canada economic relationship in areas where there is mutual agreement on shared priorities, such as climate change and livable wage job creation on both sides of the border.

*Question.* The U.S. relies heavily on foreign countries to source raw materials for electric vehicle batteries, renewable energy, healthcare, and emerging technologies.

Do you have any concerns with critical mineral supply chain vulnerabilities?

Do you think the U.S. should expand and improve domestic supply chains in order to reduce any vulnerabilities?

What will USTR do to ensure that U.S. manufacturing isn't cut off from the raw materials and critical minerals they require to produce electric vehicle batteries, renewable energy and more?

Answer. The President's recent executive order on America's supply chains seeks to review the vulnerabilities in critical supply chains, including those associated with the need for critical minerals to power the green economy and other vital sectors. If confirmed, I will work to implement the policies identified by the executive order in this and other sectors. I commit to using a wide range of available trade policy tools to take effective action against any country that cuts the U.S. off from the supply of the critical raw materials our economy needs.

*Question.* If confirmed, will you pursue further negotiations to expand upon the U.S.-Japan Trade Agreement?

Answer. Japan is one of America's most important trading partners and allies. If confirmed, I commit to undertaking a detailed assessment of the current state of the U.S.-Japan trade relationship in light of the recent U.S.-Japan Trade Agreement to determine the best path forward. Our strategic and economic relationship must remain strong in the face of growing regional challenges.

*Question.* If confirmed, what will be your priorities related to India, and will you pursue comprehensive trade negotiations to address significant trade barriers in the Indian market related to agriculture, digital trade, and other important issues?

Answer. India is one of America's largest trading partners, and its fast-growing economy represents a tremendous opportunity for American farmers, manufacturers, and service providers. At the same time, the Indian government has erected a number of trade barriers that unfairly disadvantage American exporters. If confirmed, I commit to engaging with India to find ways to resolve these issues. Strengthening our trade and economic relationship serves the interest of both countries.

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QUESTIONS SUBMITTED BY HON. TODD YOUNG

*Question.* For nearly 50 years, the United States has played a key role in combating unfair trade practices against our ally Israel. From the Arab League Boycott of Israel in the 70s, to the Boycott Divestment and Sanction (BDS) campaign today, these efforts seek to weaken, isolate, and delegitimize the Jewish state.

If confirmed, are you committed to fighting efforts to boycott, divest, or sanction our ally Israel?

As part of our trade negotiations, the U.S. has often required countries to commit not to engage in unfair trading practices against our ally Israel and U.S. firms that conduct business with Israel. If confirmed, will you ensure anti-boycott provisions are included, as appropriate, in any trade agreement you negotiate?

Answer. President Biden has led efforts to oppose the delegitimization of Israel, whether in international organizations or by the boycott, divestment and sanctions (BDS) movement in the United States. I commit to fully enforcing all U.S. anti-boycott laws and will always prioritize protecting American companies and American workers.

*Question.* President Biden has stated that the U.S. should be setting global trade policies rather than sitting on the sidelines; and I wholeheartedly agree with this sentiment. President Biden has also said repeatedly during his campaign that he would not sign new trade agreements unless they increased investments in the U.S.

With other countries still signing new agreements, there are concerns that trade rivals will use this time to restructure the global markets—especially if the U.S. shelves important trade initiatives. Currently, existing trade talks with India seem to be in limbo for the foreseeable future as the administration is solely focused on the domestic economy, though President Biden has expressed interest in cooperating with Prime Minister Modi on global challenges.

Is the administration open to improving our trading relationship with India?

What trade issues should the United States and India prioritize in any future talks?

Do you believe there is potential for broader trade agreement negotiations?

What aspects of bilateral trade relations would change or remain the same from the Trump administration?

Answer. India is one of America's largest trading partners, and its fast-growing economy represents a tremendous opportunity for American farmers, manufacturers, and service providers. At the same time, the Indian government has erected a number of trade barriers that unfairly disadvantage American exporters. If confirmed, I commit to engaging with India to find ways to resolve these issues. Strengthening our trade and economic relationship serves the interest of both countries.

*Question.* USMCA's entry-into-force date resulted in an unexpected tariff on imported used heavy-duty commercial trucks from Canada. Under NAFTA, new commercial trucks were exported to Canada. In order for Canadian motor carriers to afford new North American manufactured trucks, which mostly originate from the U.S., they need to sell their used trucks. Often those trucks are exported used back to the U.S. where we have a much larger used truck market. Unfortunately, under USMCA, U.S. Customs and Border Protection (CBP) now is applying a tariff to most used commercial vehicles, as well as used passenger cars, that are exported back into the U.S. This is in spite of the fact that USMCA's rules of origin were designed to apply to only newly manufactured vehicles. This oversight and CBP enforcement could hurt U.S. commercial truck manufacturing.

As the United States Trade Representative, would you work with Canadian officials, and to the extent needed Mexican officials, to rectify this unanticipated duty in the trade agreement that was meant to strength U.S. and North American manufacturing, not hurt it?

Answer. If confirmed, I commit to looking into this issue and consulting closely with you, CBP, and affected stakeholders.

*Question.* Biotechnology and agricultural innovation is pivotal for our farmers who rely on the latest technology to increase yields and improve efficiency. Many of these efficiencies lead to conservation of resources and result in less use of pesticides and herbicides. I have been following the recent actions in Mexico that appear to unfairly target and punish the vast majority of those who use biotechnology as a part of their farm management. The President of Mexico issued a decree in December announcing intent to revoke existing biotechnology approvals, block future approvals, and phase out biotech corn in Mexico by 2024. These measures violate USMCA commitments made by Mexico, and if implemented will have detrimental effects on farmers and producers.

If confirmed, will you confront Mexico about the dangerous tone of these actions?

Answer. If confirmed, I will confront issues that prove harmful to U.S. agricultural exports and make sure our trading partners do not violate their obligations under our trade agreements.

*Question.* What enforcement actions will you consider should the Mexican government subvert the approval of agricultural biotechnology?

Answer. If confirmed, I will review Mexico's agricultural obligations under the USMCA. If barriers to trade are presented, I will use the tools agreed upon in the USMCA to enforce the agreement.

*Question.* Since lithium-ion batteries were first commercialized in the 1990s, global market growth has increased exponentially due to the battery's inherent advantages. Moreover, current trends signal that lithium-ion batteries will continue to displace lead-acid batteries in various sectors—including heavy equipment—for years to come.

Alarming, the U.S. lags behind China with respect to global lithium cell manufacturing capacity. With the advantage of cheap labor, large control of critical minerals, and more lithium reserves, China will continue to dominate the lithium-ion battery supply chain, providing more than 60 percent of the world's component manufacturing for batteries.

With Asia's current capacity and Europe's initiative to capture more raw materials, are you concerned about the United States' slow reaction?

Given the recent executive order to review U.S. supply chains—including semiconductors, high-capacity batteries, and rare earth minerals—how do you plan to attract and preserve downstream investments, like battery manufacturing?

Answer. I understand that the Biden-Harris administration shares your concerns about China's strong position in the production of advanced batteries. If confirmed, I will work to effectively implement the recommendations that emerge from the supply chain review mandated by President Biden's executive order on America's supply chains, which identified advanced battery manufacturing as a priority sector.

*Question.* The EU's reciprocal 232 tariffs on American Whiskey and other U.S. agricultural products are set to double from 25 percent to 50 percent in June 2021.

If confirmed, will you commit to working with Congress and affected U.S. stakeholders to ensure American businesses avoid further harm as we seek to recover the COVID-19 pandemic?

Answer. I recognize that absent a negotiated resolution, the EU's retaliation for the United States section 232 tariffs on steel and aluminum will increase substantially in June. I also recognize that the maintenance of a strong U.S. steel industry will require effective action to address global steel overcapacity. If confirmed, I commit to consulting closely with Congress as the Biden-Harris administration proceeds with its review of the use of section 232 steel and aluminum tariffs.

*Question.* China's unfair trade actions have devastated American businesses and manufacturers. For reference, Indiana is the country's largest manufacturing State, and Hoosiers have felt the impact of China's illegal practices first-hand. As with previous administrations, President Biden will have to utilize his executive authority to impose or remove tariffs. I support holding China accountable in a way that does not hinder the growth of American businesses.

Unfortunately, it is not practical for the U.S. to manufacture every product or every component. For some market sectors, the ability to import encourages competitive pressures, which ultimately supports local productivity. As we focus on economic recovery, protecting jobs and U.S. manufacturers must be reflected in trade policies and negotiations.

If confirmed, how will you ensure trade tools—such as section 301 duties—are applied in a manner that does not unfairly penalize U.S. manufacturers who depend on components from global sources?

Answer. China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tar-

iffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and assess the impact on U.S. businesses, workers and consumers. Further, I will ensure that any tariff exclusion process is transparent, fair and objective.

*Question.* Under the Phase One agreement, total U.S. exports of agricultural and related products—including soybeans, corn, beef, and pork—increased roughly 30 percent or \$6.5 billion over 2017 levels. While the Phase One Agreement only covered certain disciplines, it has clearly been beneficial to many of Indiana's agriculture interests.

Given that the Phase One agreement bypassed congressional approval, how does the Biden administration plan on pursuing future trade deals with China?

If confirmed, how will you begin reviewing the Phase One agreement? Will you commit to advocating for U.S. agriculture with respect to U.S.-China trade negotiations? What elements do you foresee building upon for future U.S.-China negotiations?

*Answer.* The Biden-Harris administration is engaged in a review of the policies in place to respond to China's coercive and unfair trade practices, including with respect to trade in agricultural products. I understand that a comprehensive strategy to confront the China challenge will be formulated based on that review. U.S. farmers are harmed when our trading partners, particularly China, undertake non science-based regulatory processes to create barriers against our agricultural exports. If confirmed, I commit to working with member of Congress to identify priorities in advocating for U.S. agricultural interests with respect to China.

*Question.* The previous administration launched several section 301 investigations into Digital Services Taxes (DSTs) being considered or adopted by numerous countries—including France, India, Spain, Italy, and the UK. Before the end of President Trump's term, USTR concluded that most of these taxes are discriminatory against U.S. commerce. While USTR has threatened to impose retaliatory tariffs, it was recently announced that additional tariffs will be suspended due to ongoing investigations.

Meanwhile, members of the Organisation for Economic Co-operation and Development have continued to negotiate on multilateral solutions on DSTs; however, they await full participation from the new Biden administration. If multilateral negotiations fail, how do you believe the U.S. should respond to unilateral implementation of DSTs by other nations on U.S.-based companies?

Just recently, Secretary Yellen announced that the U.S. would be dropping its demand for a DST "safe harbor" that would have allowed some of the tax elements to be optional. Given that the U.S. is home to a majority of key global tech companies, how will you ensure future DSTs do not unfairly target U.S.-based businesses compared to foreign companies?

*Answer.* While the details of digital services taxes differ across jurisdictions, many were designed in a way that unfairly singles out a few large U.S. digital platform companies. If confirmed, I will work with my colleagues at the Treasury Department to address digital services taxes in the context of the multilateral effort to limit tax competition and address base erosion and profit shifting through the OECD/G20 process.

*Question.* The global semiconductor shortage is of concern for the automotive industry, as you are acutely aware. I have been engaged with my Senate colleagues to alert the administration to the gravity of this problem that affects companies in Indiana. In the short term, an increase in overall chip production would help alleviate this strain; another option is considering reallocation of chip production to the motor vehicle type. In the long term, the United States must increase domestic production and fairly allocate chip production to all sectors.

How will the administration support the automotive industry in addressing the global semiconductor shortage?

What strategies will be considered to re-shore domestic production, especially for semiconductors?

*Answer.* The Biden-Harris administration is pursuing all available possibilities to help address the difficulties the automobile industry has faced in securing access to semiconductors vital to the production of American automobiles. Semiconductors are one of the priority sectors identified in the recent executive order on America's supply chains. If confirmed, I will work to effectively implement the recommenda-

tions that emerge from the review mandated by the executive order, and strengthen domestic semiconductor production.

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QUESTIONS SUBMITTED BY HON. BEN SASSE

TECH COMPETITION BETWEEN U.S./ALLIES AND CHINA

*Question.* Over 59 percent of global GDP is held by the United States and our formal treaty allies. When you add other democracies to the mix, our share of global GDP goes up to around 75 percent. Given growing concerns about the implications of continued economic interdependence with Xi Jinping's genocidal regime, it seems like the freedom-loving world is actually very well placed to craft creative and consequential economic solutions to our shared trade problems with China. You and I discussed growing calls for the creation of a tech alliance among the world's democracies or establishment of some sort of digital or critical technology trade agreement with countries that share our values.

Can you please describe the strategic challenges for the United States posed by continued economic and technological interdependence with the CCP?

How will you as the United States Trade Representative think creatively about crafting trade agreements in the tech and digital spaces with countries that share our values to jointly push back on China's techno-authoritarianism?

*Answer.* If confirmed, I will work with like-minded allies to ensure that we forge stronger ties and more resilient linkages in our supply chains and trade patterns in order to not become dependent or susceptible to technology overseen by authoritarian regimes.

*Question.* Will you commit to presenting this committee with a strategy for establishing critical technology and digital trade agreements with our like minded allies and partners?

*Answer.* If confirmed, I commit to consulting with this committee on matters concerning trade and critical technologies, including how we can enhance our cooperation with like-minded allies.

*Question.* Given the extensive conversations we are having with our allies and partners about the national security concerns surrounding Chinese inputs into the supply chains of telecommunications and general technological goods, how do you think USTR is positioned, staffed, and resourced to be able to navigate negotiating agreements that include goods that may carry national security concerns? What should coordination with the Intelligence Community and other national security agencies look like when negotiating agreements?

*Answer.* As technology, supply chains, and national security concerns grow in importance and relevance for trade, USTR will need to navigate the trade-related challenges in these areas. If confirmed, I look forward to working with Congress to ensure USTR has sufficient resources to pursue these tasks.

TRANS-PACIFIC PARTNERSHIP

*Question.* In Asia, trade is diplomacy. That is why the U.S. withdrawal from the TPP and China's establishment of the RCEP is so consequential regardless of the substantive differences between the agreements. When the U.S. withdrew, the region moved on. Asian countries are increasingly looking to each other for economic and financial engagement and support. I have stated before that I believe the Trans-Pacific Partnership would be a way to reduce China's influence in the Asia-Pacific region. Recent news reports state the United Kingdom submitted an application to join the now Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). This would be the first new country to join Japan, Vietnam, Australia, and 8 other nations.

Should the U.S. join CPTPP? If not, how are you thinking about building a positive trade agenda in the Indo-Pacific and engaging with TPP11 countries (now CPTPP) in light of China's growing economic dominance in the region?

*Answer.* The basic formulation of working closely with like-minded countries in the Asia-Pacific with shared strategic and economic interests is a sound one, but much has changed in the world since the TPP was signed in 2016. If confirmed, I commit to working closely with like-minded countries in the Asia-Pacific region to

deepen our trade relationship in ways that benefit American broadly, including our workers, manufacturers, service providers, farmers, ranchers, and innovators.

## CHINA

*Question.* A lot has changed in the U.S.-China relationship since your previous executive branch service. You have seen the U.S. and China come together through the development of the Phase-One agreement. Yet, there remain areas that continue to require attention.

As you reflect on the previous administration's action with regard to China, what are your plans to address the CCP's malign economic statecraft?

*Answer.* The Biden administration is engaged in a comprehensive review of what is required to meet the China challenge, including pushing back against Chinese economic statecraft that runs counter to our economic interests and democratic values. If confirmed, I commit to work, ideally with our allies, to address important areas that are not yet covered by the Phase One agreement such as industrial subsidies and excess capacity.

*Question.* The previous administration completed a comprehensive 301 investigation on China. Did you read that investigative report? Did you have any disagreements with the findings or methodology in that report? In your opinion, were the imposition of tariffs the best policy response to China's serial theft of intellectual property and forced tech transfer? As an economic advisor to the President, what would you have proposed as a more effective response?

*Answer.* China's track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. I am aware that during the last administration, USTR's section 301 investigation into China found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China's practices and to account for their impact on U.S. businesses, workers and consumers.

Concerns over China's actions and practices related to technology transfer, intellectual property, and innovation are long-standing. Effectively addressing these difficult concerns, however, requires a coordinated whole-of-government strategy. If confirmed, I look forward to working with other agencies and with Congress to shape a more integrated strategy.

*Question.* With China and 15 Asia-Pacific nations joining the Regional Comprehensive Economic Partnership (RCEP), what are your thoughts on the United States joining a multilateral trade agreement framework?

*Answer.* America is stronger when it works together with its allies, but cooperation can take many different forms. Whether a multilateral trade agreement framework is effective or not will depend on the precise details of that agreement.

*Question.* China's non-market approach has placed American companies at a disadvantage. China has long made promises that are unfulfilled.

Do you agree that a persistent approach to resolve the many concerns that have arisen in our trading relationship with China deserve the highest attention within USTR and other Federal agencies?

*Answer.* Yes, absolutely. The Biden-Harris administration is engaged in a comprehensive review of existing U.S. policies to determine what action we must take to meet the China challenge. I understand that the administration will pursue a whole-of-government strategy based on that review that addresses China's unfair trade practices, invests in U.S. manufacturing and innovation, prioritizes supply chain resilience, and increases American competitiveness.

If confirmed, I will make these concerns a top priority within USTR and engage in vigorous efforts to coordinate our response to the China challenge across the Federal Government.

*Question.* The China Phase One agreement sought to bring structural reforms and changes to the state-led, market-distorting approach from China in areas of intellectual property, technology transfer, agriculture, financial services and currency exchange, with substantial purchase requirements of U.S. goods. Evidence seems to show China has been moving forward under this Phase One agreement in good faith. This Phase One agreement did not address all the concerns identified, and

a phase two agreement is hopeful to bring further structural changes to China's regime.

I would like to see USTR engage with China through a process focused on critical issues such as excess capacity, state-owned enterprises, state-sponsored cyber-enabled theft of intellectual property, restrictions on cross-border data transfers, and regulatory transparency that were not fully addressed or accomplished in Phase One. In doing so, I also support USTR being aggressive in these negotiations to use all available tools to bring comprehensive and tangible reform.

Can I have your commitment you will work with members of this committee on this process so that together we can identify the critical issues and a cohesive approach to tackling this issue with an outcome that is fair, reciprocal and balanced?

Answer. Yes, if confirmed, I will consult with this committee on these difficult and challenging issues.

#### TAIWAN

*Question.* Given your family ties to Taiwan, you know even better than I do how strong of a democratic partner the Taiwanese are. Taiwan has proven to be a strong U.S. economic partner and in 2019 was the U.S.'s 14th largest export market.

Do you view a trade agreement with Taiwan to be an important national security approach in counteracting China?

Answer. Taiwan is a valuable democratic partner of the United States, and the two sides have had a Trade and Investment Framework Agreement dating back to 1994. Deepening trade and economic ties can be a valuable means to address the strategic rivalry with China. However, whether a trade agreement actually does so will turn on the precise provisions of the agreement itself and the supply chain patterns in the Asia-Pacific region.

*Question.* How will you approach an FTA with Taiwan now that Taiwan has granted greater access for U.S. pork and beef?

Answer. If confirmed, I will commit to engaging in a comprehensive review of our trade relationship with Taiwan to determine how to address remaining trade issues and the best path forward.

*Question.* Where does an FTA with Taiwan fall on your priority list, and where do you see hurdles to an agreement?

Answer. As noted above, I will engage in a comprehensive review, which will inform my priorities for near-term engagement with Taiwan.

#### OVERALL TRADE PRIORITIES

*Question.* The Biden administration has publicly said the first focuses will be on a domestic agenda. On day one of your role as Ambassador, how will you outline the United States position with our trading partners?

Answer. Trade policy will be an essential component of the fight against COVID-19, the economic recovery, and the Build Back Better agenda. President Biden seeks a fair international trading system that promotes inclusive economic growth and reflects America's universal values. If confirmed, starting on Day One I will engage our trading partners in pursuit of a trade agenda that will restore U.S. global leadership on critical matters like combatting forced labor and exploitative labor conditions, corruption, and discrimination against women and minorities around the world.

*Question.* With multiple issues before the office of the United States Trade Representative, have you thought about your first 100 days at USTR, and can you share your views on how you will prioritize these issues?

Answer. If confirmed, I will engage with our trading partners on ways to address the climate crisis, bolster sustainable renewable energy supply chains, and end unfair trade practices. In addition, in my first 100 days I will review existing trade policies and agreements and pursue enforcement actions when warranted.

#### BEEF EXPORTS AND TRADE WITH JAPAN

*Question.* I would like to bring your attention to beef exports to Japan. Japan is the largest market for U.S. beef. From January to November 2020, the U.S. exported over 280,000 metric tons of beef to Japan, valued around \$1.8 billion. The U.S. is approaching a safeguard threshold tariff trigger.

I would like to see more attention by USTR negotiators to engage with Japan and monitor the tariff rate quota.

Can I have your commitment that your team will worked with Japan to reevaluate the trigger and perhaps move forward with a formal free trade agreement?

Answer. If confirmed, I commit to monitoring the tariff rate quota on U.S. beef. As U.S. Trade Representative, I will review the agreement with Japan reached by the previous administration. If confirmed, I look forward to working with your office on the issue of additional exports of U.S. beef to Japan.

#### UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)

*Question.* I have heard from many different stakeholders from agriculture to biotechnology, pharmaceutical, technology, oil, and gas to name just a few regarding the United States-Mexico-Canada (USMCA) trade agreement. These industries are experiencing significant regulatory challenges in Mexico with the implementation of the USMCA. I understand you are aware of many of these issues.

To speak specifically to my home State of Nebraska, Mexico takes on average 54 percent of the U.S. export of white corn, of which 90 percent is considered a genetically modified product. Nebraska is also a leading producer of food-grade yellow corn production. The Mexican President Lopez Obrador issued a decree banning glyphosate and GMO corn in Mexican diets by 2024. Furthermore, I am troubled that Mexican officials are adopting Europe's precautionary principle as the basis for rejecting import permits and delaying product approvals. Biotechnology and crop protection products are innovations important to American corn and crop producers that allow more sustainable and efficient use of natural resources to provide a high quality, safe and affordable diet to customers. The United States has had a long standing, mutually beneficial trade relationship with Mexico and this was recently reaffirmed with the ratification of USMCA.

Can you share your approach to tackle these issues between the Mexican and U.S. Governments? Please elaborate on how, under your leadership at USTR, you will approach enforcement of the provisions within USMCA and the encourage energy, ethanol, agriculture, and other goods will be treated fairly.

Answer. Mexico is a critical export market for Nebraska. Each year close to \$1 billion worth of agricultural goods are exported from Nebraska to Mexico. If confirmed, I will work to defend American businesses' exports of these products and others to Mexico. I commit to quickly engage the Mexican government if it violates the agreement and to use all dispute settlement tools to fully enforce USMCA when necessary.

*Question.* If we are to use the framework of USMCA in future agreements, can I have your commitment to work with members of this committee to review the language and strengthen necessary areas to ensure fair and equal trade relations? Will you further commit to regular engagement with my staff and other members of this committee on enforcement issues under USMCA?

Answer. If confirmed, I will work with your staff and other members of the Senate Finance Committee as we look to strengthen and build upon the USMCA framework.

#### TRADE WITH EUROPE

*Question.* Following Brexit, the previous administration had been in the process of pursuing a free trade agreement with the United Kingdom.

If confirmed, how will you approach trade issues with both the UK as well as the rest of Europe? Do you agree that a trade agreement needs to address all sectors?

Answer. The United States completed four rounds of negotiations since officially launching negotiations to establish a free trade agreement with the United Kingdom. If confirmed, I plan to review the state of the negotiations and, in consultation with Congress, chart a path forward that reflects the Biden-Harris administration's commitment to a trade policy that prioritizes the interest of America's farmers and workers.



## QUESTIONS SUBMITTED BY HON. ELIZABETH WARREN

*Question.* The COVID–19 pandemic has been the worst public health crisis facing our Nation and the world in over a century. Now that safe and effective vaccines are available, it is vital that all people around the world have access to vaccines and any future treatments for COVID–19. Unfortunately, the Trump administration put the profits of pharmaceutical manufacturers ahead of global public health. Too many people in low- and middle-income countries may have to wait years to get vaccinated because of the high prices being charged for COVID–19 vaccines, and an insufficient supply that is currently being bought up disproportionately by wealthy nations. No one should die because drug company profits are prioritized over the health and well-being of human beings.

Countries that can manufacture pharmaceuticals should be given the opportunity to produce COVID–19 vaccines and treatments as quickly as possible in order to bolster global supplies and ensure equitable distribution. In October, South Africa and India proposed a temporary waiver of the WTO’s Trade-Related Intellectual Property Rights (TRIPS) agreement, to increase the global supply of COVID vaccines and treatments and save lives throughout the world. That proposal is now supported by a large number of low- and middle-income countries. Under the Trump administration, the United States was one of the wealthy nations working to block this emergency waiver.

Will you as United States Trade Representative reverse the Trump-era decision that is putting lives at risk, and instead support the TRIPS waiver so that COVID–19 vaccines and medications can be made widely available in low and middle-income countries?

*Answer.* Responding to the COVID–19 pandemic is the top priority of the Biden administration. I recognize the critical importance of ensuring widespread access to life-saving vaccines, diagnostics, therapeutics, treatments, and other key products worldwide in order to counter the pandemic and enable global economic recovery. If confirmed, I commit to examining the TRIPS waiver proposal thoroughly to determine its efficacy in enhancing our global health security and saving lives.

*Question.* How will you approach considering whether to allow for extensions of previously granted China tariff exclusions, or providing an opportunity for impacted companies to reapply?

*Answer.* China’s track record on using unfair practices to acquire U.S. technology, to the detriment of U.S. innovators and workers, is well-established. Under the last administration, USTR conducted an investigation against unfair trade practices in China under section 301 of the Trade Act of 1974 and found that China engages in unfair trade acts policies and practices related to intellectual property, innovation and technology transfer. To address those findings, the United States imposed tariffs on products from China. If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China’s practices and assess the impact on U.S. businesses, workers and consumers. Further, I will ensure that any tariff exclusion process is transparent, fair and objective.

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 QUESTIONS SUBMITTED BY HON. JOHN BARRASSO

## INTELLECTUAL PROPERTY PROTECTION

*Question.* Strong intellectual property protections in the United States are critical for the invention and manufacturing of innovative medicines and medical technologies. It is not a coincidence, therefore, that the United States leads the world both in terms of inventing and manufacturing these products and providing intellectual property protections that incentivize innovation.

How does USTR intend to pursue a trade agenda that protects American intellectual property abroad and ensures that our trading partners value the important contributions of America’s innovative industries?

*Answer.* If confirmed, I commit to using the trade tools at my disposal to ensure that American workers and innovators are able to reap the benefits of their innovation, including overseas. Strong, effective protection of intellectual property in markets worldwide benefits not only American exporters and innovators, but also workers in IP-intensive industries. As U.S. Trade Representative, I will continue to undertake rigorous enforcement efforts to ensure that our trading partners adhere to

their existing IP obligations. I will work with other Federal agencies to prevent counterfeit and pirated goods from being sold in the U.S. and elsewhere.

SUPPLY CHAINS—CRITICAL MINERALS

*Question.* The COVID-19 pandemic has shed much-needed light on vulnerabilities in our supply chains.

By any measure, the U.S. has become too reliant on countries like China for medicine, medical supplies, and the materials needed to manufacture a wide variety of consumer and commercial products. The President recently issued an executive order on America's supply chains that is partly focused on critical minerals.

Critical minerals are key manufacturing inputs for electronics, medical equipment, semi-conductors, electric vehicles, advanced weapons systems, and much more. Today, we are dangerously reliant on imports from China and other foreign countries where, in some cases, they are mined and produced with child and slave labor.

How can USTR work with our allies to strengthen and secure critical mineral supply chain?

Answer. I understand that the Biden-Harris administration is undertaking a comprehensive review of supply chain risks, pursuant to the President's executive order issued on February 24th. USTR is actively engaged with other Federal agencies to identify risks in the supply chain for critical minerals and other identified strategic materials, including rare earth elements. If confirmed, I commit to engaging allies to ensure that America's supply chains for critical minerals are resilient, secure, and diverse.

*Question.* What are the benefits of safely producing these minerals at home where possible instead of relying on foreign imports?

Answer. Resilient American supply chains are critical to strengthening and rebuilding America's domestic manufacturing sector and creating the well-paying jobs for our workers. They are also critical for bolstering our innovation capacity and maintaining America's competitive edge in other industries that depend on these minerals.

U.S. BEEF

*Question.* In Wyoming, we produce some of the highest quality beef in the world. Our farmers and ranchers need certainty when it comes to trade. Wyoming wants fair, unfettered access to international markets for our beef, lamb, wool, and other agricultural products. Our livestock industry is a vital piece of our economy and critical to the well-being of our communities.

What is USTR's strategy for gaining market share for U.S. beef?

Answer. If confirmed, I will work to find new markets for U.S. beef. I look forward to working with your office on strategies to open up new markets for U.S. beef.

SUGAR

*Question.* The current world sugar market is highly dysfunctional, driven by production- and trade-distorting practices employed by nearly all sugar-producing countries.

It is more important than ever that the United States maintain its current no-cost sugar policy which provides a stable and predictable economic environment for U.S. producers, an environment necessary for capital investments and long-run sustainability.

How would you envision taking on a multilateral challenge like the reform of the global sugar market, and

Answer. If confirmed, any reforms I pursue regarding the global sugar market will be consistent with maintaining the current no-cost U.S. sugar policy.

*Question.* Do you think the World Trade Organization (WTO) is equipped now, or can be made equipped going forward, to effectively address the underlying issues among all members?

Answer. WTO rules need to be updated to reflect longstanding agricultural issues that have not been rectified under the WTO's current construction. If confirmed, I

will work with like-minded partners to ensure that any new rules are consistent with U.S. domestic sugar goals.

SUPPLY CHAINS—FOOD SUPPLY

*Question.* The COVID-19 pandemic has starkly demonstrated—through trade restrictions, supply chain breakdowns, and other unpredictable actions by countries around the world—the importance of food security.

Do you believe it is important that the United States pursue a trade policy that has, as a central pillar, the objective of ensuring a safe and secure domestically produced food supply for America’s consumers and food manufacturers?

*Answer.* U.S. trade policy must benefit domestic agricultural producers and provide consumers and food manufacturers with a safe and secure domestic food supply. If confirmed, I will make this a central pillar of any agricultural trade policy I pursue.

SOES AND URANIUM

*Question.* U.S. businesses are often at a disadvantage vis-à-vis state-owned enterprises (SOEs) that are not guided by market principles. Such SOEs benefit from environmental, health, and labor standards below that of publicly traded companies. The uranium miners in Wyoming know this only too well, as U.S. mining has come to a standstill at the hands of increased imports from places like Russia, Uzbekistan and other countries where the Chinese have significant mining investments. U.S. trade policy needs a clear strategy for addressing the SOE imbalance.

Can you describe in detail how you would approach the challenges facing U.S. companies with respect to SOEs?

Is USTR adequately equipped to address the SOE issue to ensure American workers and businesses have level playing field in the international marketplace?

If not, can you explain where you think existing USTR authority falls short in this area?

*Answer.* State-owned enterprises that do not operate based on market principles disadvantage U.S. businesses and their workers and have contributed significantly to global market distortions. If confirmed, I will work with our allies to collectively address market distortions caused by SOEs. In addition, I will pursue trade enforcement actions against SOEs that disadvantage U.S. businesses and their workers, and I will pursue disciplines on SOEs in trade agreement negotiations. USTR leads the U.S. government in the monitoring and enforcement of trade agreements. If confirmed, I will work closely with other relevant Federal agencies to address the global market distortions caused by state-owned enterprises.

TRADE PROMOTION AUTHORITY (TPA)

*Question.* Trade Promotion Authority was first enacted in 1974 and has been renewed on four separate occasions. TPA is set to expire on July 1, 2021.

Do you believe Congress should extend TPA?

What changes, if any, should Congress consider during upcoming discussions over TPA renewal?

*Answer.* If confirmed, I will consult closely with Congress on trade negotiations and trade legislation advanced by the Senate Finance Committee. As U.S. Trade Representative, I will work to pursue trade policies that receive bipartisan support in Congress.

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PREPARED STATEMENT OF HON. RON WYDEN,  
A U.S. SENATOR FROM OREGON

This morning the Finance Committee wraps up nominations week by welcoming Katherine Tai, President Biden’s nominee to serve as the United States Trade Representative.

America’s trade policy needs to be smarter and stronger; 4 more years of mean tweets and chaos from the White House won’t cut it when our country is calling for more high-skill, high-wage jobs. Fortunately, chaos is not President Biden’s style. A smarter, stronger trade policy requires a savvy leader at USTR who understands

what working Americans are going through and knows how to develop a path for them to get ahead. That's precisely what Katherine Tai will bring to this job.

Ms. Tai has a wealth of experience working on trade policy from just about every angle. She's got leadership experience fighting back against China's trade cheating. She was at the forefront of the effort to improve the new NAFTA when the previous administration handed the Congress a deal that wasn't good enough to protect American jobs. She's got a proven record of achieving wins for American workers and businesses; for the environment; and for ranchers, farmers, and innovators.

Ms. Tai is also no stranger to us at the Finance Committee. We've worked closely with her during her time at the Ways and Means Committee and at USTR prior to that. There's going to be a lot more for us to work on together in the months and years ahead.

In my view, that begins with developing a tougher new approach to China. To the extent that the previous administration ever had a strategy beyond the ex-President's gut impulses, it didn't get the job done. The Chinese market is more closed off to American-made goods and services today than it was 4 years ago. There hasn't been any real change to the trade rip-offs that wiped out so many American jobs and stole so many innovative ideas over the decades. I'm confident that the Biden administration and Ms. Tai will do better.

This committee is also going to put a special focus on ending the import of goods produced with forced labor. It's enough that forced labor is morally repugnant. It's also true that when American workers have to compete with slave labor, everybody loses. It's a race to absolute rock bottom for workers' rights.

Next, the U.S. also needs a full blockade against other nations' discriminatory policies aimed at knifing industries with taxes where America leads, such as digital goods and services. Trade in stolen timber and other natural resources that damage the environment and edge out hardworking Americans in the forestry sector must be stopped.

There's also a lot of work to be done when it comes to implementing the new NAFTA. Ms. Tai knows firsthand that the new NAFTA raised the bar for labor standards, environmental rules, and digital trade. But the agreement will only deliver for American workers and businesses if it's implemented and enforced the right way. I want to work closely with USTR on that process.

Bottom line, getting trade done right is difficult. It's not about angry tweets and flimsy trade deals that produce more headlines than jobs.

Trade done right is about strong enforcement that protects American workers and businesses and creating new opportunities to raise wages and increase exports. It raises the bar for labor and environmental standards and digital trade rules around the world so that the global economy competes on our terms.

USTR leads the effort, but it also involves Customs and Border Protection, as well as the Departments of Commerce, Agriculture, State, the Treasury, and others. It requires strong and steady relationships with our international economic allies. None of that came easily to the last administration. In my view, the chaos that came out of the White House over the last 4 years cost a lot of opportunities to help American workers get ahead. So I'm glad that President Biden is already taking a different tack, and he made a great choice for U.S. Trade Representative.

I trust Ms. Tai's judgment, and I know the depth of her experience. She is the daughter of immigrants to the United States. As a child of immigrants myself, I know how much it means to give back to the country that welcomed in our families. And rounding out a week of historic firsts for nominees in this hearing room, she'd be the first woman of color to serve as USTR.

Katherine Tai's got a lot of fans on both sides of the Finance Committee, and I'm happy to support her nomination.

## COMMUNICATIONS

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ALLIANCE TO COUNTER CRIME ONLINE

February 24, 2021

To: U.S. Senate  
Committee on Finance  
Dirksen Senate Office Bldg. SD-219  
Washington, DC 20510-6200

Fr: Gretchen Peters, Executive Director of the Alliance to Counter Crime Online  
Esteemed Senators,

As the governing board of the Alliance to Counter Crime Online (ACCO),<sup>1</sup> we urge you to press Katherine Tai, the nominee for U.S. Trade Representative, not to export an outdated U.S. technology law currently being debated.

In the past year, legislators in both parties have introduced bills to reform Section 230 of the Communications Decency Act (CDA 230), which provides a liability shield for technology companies for hosting user-generated content, even when those platforms facilitate and amplify serious crime and extremism. Both presidential candidates went further, calling for an outright repeal of the 1996 law, in part due harms caused to children, and the spread of extremist content and illicit drug sales.

Despite the broad, bipartisan concern about CDA 230, the U.S. Trade Representative under Ambassador Robert Lighthizer nonetheless included liability shield language modeled after CDA 230 in the United States-Mexico-Canada Agreement (USMCA), which Ms. Tai helped negotiate.<sup>2</sup>

Given the bipartisan support to reform CDA230, American trade negotiators should not include liability shield language modeled after CDA 230 in upcoming trade deals, including the one currently being negotiated with the U.K.

The U.S. government adopted two decades of trade agreements since CDA 230 was enacted, and never included this language prior to the USMCA. The language was added at a time when proposals to amend CDA 230 were gaining steam, and advocates for the tech industry were scrambling to protect it. By adding it to U.S. trade agreements, Silicon Valley sought to effectively enshrine it in international law. One pro-tech industry advocate even wrote that:

Section 230 stands under threat in the United States . . . which could escalate into demands that platforms also assume greater responsibility for other types of content . . . baking Section 230 into NAFTA may be the best opportunity we have to protect it domestically.<sup>3</sup>

This cynical ploy by Silicon Valley would cause USTR to restrict the will of Congress, and therefore the will of the American voters. It would be highly inappropriate for USTR to make that possible.

Sincerely,

Gretchen Peters  
ACCO Executive Director

On behalf of:

ACCO Governing Board Member, Dr. Amr al Azm

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<sup>1</sup><http://counteringcrime.org/>.

<sup>2</sup><https://www.politico.com/news/2021/02/01/katherine-tai-ustr-biden-463668>.

<sup>3</sup><https://www.eff.org/deeplinks/2018/01/platform-safe-harbors-touted-safe-nafta-talks>.

ACCO Governing Board Member, Dr. Shawn Graham  
 ACCO Governing Board Member, Dr. Damien Huffer  
 ACCO Governing Board Member, Kathleen Miles  
 ACCO Governing Board Member, Katie Paul  
 ACCO Member, Dr. Tim Mackey

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AUTOS DRIVE AMERICA  
 801 Pennsylvania Avenue, NW, Suite 620  
 Washington, DC 20004

March 2, 2021

The Honorable Ron Wyden  
 Chairman  
 U.S. Senate  
 Committee on Finance  
 Washington, DC 20510

The Honorable Mike Crapo  
 Ranking Member  
 U.S. Senate  
 Committee on Finance  
 Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

Autos Drive America strongly supports the nomination of Katherine Tai to be the United States Trade Representative (USTR). She brings a wealth of experience, a deep knowledge of international trade policy, and a proven track record of bipartisanship. Tai is a well-qualified nominee that, if confirmed, will be ready to navigate the currents of trade and support U.S. investment from day one.

Autos Drive America represents international automakers that have made America their home, investing a combined \$92 billion into their U.S. operations to date and producing nearly half of all the cars and light trucks built by Americans each year. These companies directly employ 137,000 Americans, and, in partnership with their dealership and supplier networks, support nearly 2.4 million additional American jobs and account for 56 percent of all new U.S. vehicle registrations annually. Autos Drive America's mission is to advance open trade and investment policies that expand employment opportunities for Americans, broaden consumer choice, and secure the industry's continued growth and success.

Tai understands that trade benefits not only companies but also the workers and team members that are the lifeblood of our industry. The value of trade cannot be measured by simple export and import data but is found in the opportunity such exchanges bring to our communities—benefits that we appreciate and live out every day. Trade can be a critical tool in the United States' arsenal as our nation seeks to recover from the economic effects of this pandemic and a positive agent for growth as we seek to expand manufacturing jobs in America. If confirmed, Tai's experience and abilities are well-suited to the challenges before her: working with our international trading partners to rebuild key relationships and reset the United States' posture on trade policy.

We look forward to working together with Tai on finding ways to expand the industry's ability to produce vehicles competitively in the United States and to successfully export our American-made products to customers around the world.

Sincerely,

Jennifer M. Safavian  
 President and CEO

cc: Members of the Senate Committee on Finance

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COMMITTEE OF 100  
 6 St. Johns Lane, 5th Floor  
 New York, NY 10013  
 Phone: 212-371-6565  
 Fax: 212-371-9009  
<https://www.committee100.org/>

February 23, 2021

U.S. Senate  
 Committee on Finance  
 Dirksen Senate Office Bldg.  
 Washington, DC 20510-6200

Dear Chairman Wyden, Ranking Member Crapo and the members of the U.S. Senate Committee on Finance,

On behalf of Committee of 100, we would like to express our full support for the confirmation of Katherine Tai as U.S. Trade Representative.

Ms. Tai has the experience necessary to negotiate and deliver clear and resolute messages on behalf of the United States. Specifically, Ms. Tai previously served as the U.S. Trade Representative's lead negotiator with China on all matters related to WTO enforcement. That experience, coupled with her fluency in Mandarin and knowledge of the region, provides her a uniquely qualified foundation to address the challenging trade relationship with China, an important touchstone of the most important bilateral relationship for the United States.

It is also important that our trade representative reflect the diversity of our great nation. Ms. Tai's nomination as U.S. Trade Representative would be the first time a Chinese American has taken on this important role, and the first time for any woman of color. Her nomination would thus be an important signal to all Chinese Americans that the United States is committed to including all voices and recognizing the contributions of communities of color.

The Committee of 100 is a non-profit U.S. leadership organization of prominent Chinese Americans in business, government, academia, healthcare, and the arts. For the past 30 years, our dual mission has been to promote the full inclusion of Chinese Americans in American society and help enable more constructive relations between the U.S. and China. When Ms. Tai spoke at the Committee of 100—U.S. Association of Former Members of Congress event in March of 2019, it was clear that her knowledge and experience in U.S.-China relations would be a tremendous asset to all Americans.

For these and many additional reasons, we urge the prompt confirmation of Ms. Tai for the role of U.S. Trade Representative. We look forward to working with Ms. Tai and the Biden administration.

Sincerely,

Committee of 100

cc: Senate Committee on Finance  
Attn. Editorial and Document Section

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INSTITUTE OF SCRAP RECYCLING INDUSTRIES, INC.  
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### Questions for the Record to Katherine C. Tai

February 25, 2021

**Question 1:** In your testimony to the Senate Finance Committee, you mentioned your intent to review the recent progress and objectives concerning trade negotiations with the United Kingdom. Will your review include developing a position on the emerging trend of countries such as the U.K. who are reportedly pivoting away from importing recyclable materials? And will you commit to reviewing the potential effects of countries' restrictions on imports/exports of recyclable commodities on the U.S. recycling industry and the ability to achieve a true circular economy?

**Question 2:** The European Union is considering implementing import and export controls on scrap as a way to strengthen the internal market and keep these important manufacturing inputs for themselves. As the Administration considers a reset the transatlantic relationship, how will you work with the EU to ensure an equitable supply and demand ratio that creates opportunities for trade in recyclable materials?

**Question 3:** As you know, China instigated a global market alteration for recyclable commodities, leading to dramatic shifts of U.S. exports in recyclable metals, paper, plastics and other commodities. Although China's current policy allows for a small amount of "mill-ready" material to enter the market, nevertheless, the Chinese Government continues to promulgate rules and regulations without transparency, public

engagement, time consideration nor evidence-based assessments. Furthermore, the previous Administration's "trade war" policy has meant tariffs in the United States and China that impair trade that would spur more recycling within the United States, particularly China's retaliatory tariffs on recyclable materials as well as U.S. Section 301 tariffs on critical parts for America's 330+ shredders that are largely made in China. Will you commit to working with China to legislate and regulate recyclables trade fairly and transparently? And will the Administration remove tariffs on the shredder parts prior to the expiration of the tariff exclusion on April 18, 2021?

Kind regards,

David Eaton  
 Director, Government Relations  
 Institute of Scrap Recycling Industries, Inc. (ISRI)

*The Institute of Scrap Recycling Industries, Inc. (ISRI) is the voice of the recycling industry promoting safe, economically sustainable, and environmentally responsible recycling through networking, advocacy, and education.*

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U.S. GLOBAL VALUE CHAIN COALITION

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 Washington, DC 20001  
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This statement is being filed on behalf of the U.S. Global Value Chain Coalition—a coalition of U.S. companies and associations—that is on a mission to educate policymakers and the public about the American jobs and the domestic economic growth generated through our global value chains.

Global value chains include those jobs traditionally associated with the creation of a product—such as those in a factory or on a farm—as well as those positions involved in the lifecycle of a product from conception to distribution—such as design, engineering, marketing, research and development, logistics, compliance, and sales. Simply put, global value chain accounts for all jobs that add value from beginning to end to the good or service sold in the global marketplace. These positions are essential to the creation or sale of a good or service. Moreover, these jobs are primarily here in the United States and are usually high-paying, accounting for much of the value that is paid at the register.

The U.S. Global Value Chain Coalition supports the nomination of Katherine Tai to be United States Trade Representative and urges her quick confirmation. Ms. Tai has a great track record supporting policies that remove barriers to trade and open new markets for American businesses and American workers. This nomination sends a clear message that the U.S. is ready to reassert American leadership in setting high-standard trade rules and to engage at the negotiating table on deals that benefit American business and workers.

*Role of Global Value Chains in Pandemic Response*

As the administration and Congress examine the role of supply chains in responding to the COVID-19 pandemic, we urge both to consider and recognize the important role that global value chains have and continue to play in responding to the pandemic, as well as their important role in creating good-paying American jobs and helping American businesses remain competitive.

It is not easy for companies to shift their global value chains, especially when prompted by government policies rather than business considerations. While many companies have worked to diversify their value chains over the years, even more so as a result of the trade war with China, there are many others where it is just not feasible in a short period of time—if at all. There are many challenges to supply chain diversification, such as ensuring new vendors can meet capacity, quality, product safety, sustainability, and social responsibility requirements, the availability of a skilled work force, available infrastructure, and testing and auditing capabilities—just to name a few. In some instances, an input, intermediate part or other product may not be available from any other source. Further, the coronavirus pandemic has made shifting supply chains even more complicated with travel essentially shut down due to global stay at home orders and limits on corporate travel. This should certainly be factored in as the Administration reviews current policies.



Further, global supply chains have helped, not hurt, the U.S. response to the coronavirus outbreak. Just recently, a study done by the University of Michigan, Yale, and the University of Texas at Austin concluded that while “the average contraction in gross domestic product tied to the COVID–19 shock is expected to be 31.5% with about a third of it attributed to kinks in global supply chains . . . the average GDP drop would have been 32.3%” without global trade.<sup>1</sup>

We certainly support an effort to identify challenges and opportunities to strengthen supply chain vulnerabilities against future pandemics or other disruptions. This evaluation must rely on market realities, business considerations, and other incentives to improve global value chains, including the development of infrastructure, logistics, and inputs in the U.S. and sufficient and appropriately trained future workforce.

#### *China*

Global value chains are dependent upon trade with China to create jobs and economic opportunities across the United States. For instance, American companies, and their American workers, design and market consumer products that are sold in China, in the United States, and around the world. Although these everyday items—articles such as U.S. branded clothes, shoes, and backpacks—might be physically produced in China, they support millions of American jobs in such disciplines as design, quality control, marketing, logistics and compliance.

Furthermore, chemicals imported from China make their way through a network of U.S. distributors and manufacturers, employing tens of thousands of Americans who manufacture, reformulate, market, and distribute into American industries, including agriculture, automotive, pharmaceuticals, textiles, plastics, paints and coatings, and more.

The punitive tariffs on U.S. imports from China have damaged these job-creating U.S. global value chains. Tariffs are taxes that American companies, and consumers, pay. These tariffs have led to considerable increased costs and uncertainty for our members, who are also facing unprecedented uncertainty and financial burdens as a result of the economic recession brought on by the COVID–19 pandemic.

As we work to reopen the U.S. economy and get Americans back to work, we request Congress insist that once confirmed, Ms. Tai take several immediate steps as USTR: (1) retroactively reinstate product exclusions that expired in 2020; (2) reopen the Section 301 product exclusion process, with improvements to address concerns regarding fairness, transparency, and speed; and (3) lift all punitive China tariffs, which have harmed American businesses, workers, and consumers.

#### *Generalized System of Preferences (GSP)*

The Generalized System of Preferences (GSP) expired at the end of 2020. The GSP program allows American businesses to use duty-savings to compete internationally, lower costs for American families, hire more American workers, and invest in new products. For example, many American businesses utilized GSP to help make and distribute urgently needed personal protective equipment in response to the coronavirus outbreak. GSP is also an effective enforcement tool to open foreign markets, protect intellectual property, and improve workers’ rights. With the coronavirus debilitating global value chains, renewing the GSP program is a critical component to reopening the country and improving the U.S. economy. We request Congress renew this critical trade preference program quickly to provide certainty and predictability to American businesses.

Thank you for this opportunity to provide a statement.

Sincerely,

U.S. Global Value Chain Coalition



<sup>1</sup>Brendan Murray, “Trade Helped Cushion the World Economy’s Pandemic Plunge,” *Bloomberg News* (May 26, 2020), available at <https://www.bloomberg.com/news/newsletters/2020-05-26/supply-chains-latest-trade-cushioned-the-world-economy-s-fall>.