



Senator Chuck Grassley Opening Statement  
Hearing on the nomination of Mr. Ronald Kirk to be  
United States Trade Representative  
Monday, March 9, 2009

This is an important hearing. President Obama recently released his Trade Policy Agenda. The President needs a United States Trade Representative to advise on that agenda and work to enact it. The Finance Committee is in similar need of a United States Trade Representative to explain the details of the President's agenda, to justify it, and to be held accountable for it. There are elements of the President's Trade Policy Agenda that I welcome. For example, I think it was long overdue for this Administration to embrace the idea that trade can, and should, play an important role in our economic recovery. We need to take concrete steps that will produce meaningful new market access opportunities for U.S. exporters. With 95 percent of the world's consumers living outside the United States, we need better access to consumers in foreign markets if we want to maintain robust economic growth over the long term. I expect our U.S. Trade Representative to be working hard to achieve that primary objective and not settle for less.

On the other hand, the President's Trade Policy Agenda raised some concerns for me. For example, I don't know what the President intends when he says that our trade policies should build on the labor provisions in our existing trade agreements, or when he asks how trade policy can respond to global environmental challenges. Until I see the details, I'm reserving judgment. But the bipartisan compromise on these issues that was reached on May 10, 2007, was hard for me to accept. I still question the merits of some elements of that compromise, and we have yet to see our three pending trade agreements be implemented even though they were renegotiated to incorporate the elements of that compromise. If the President intends to reopen the May 10<sup>th</sup> compromise, he runs the risk of losing the support that resulted in that compromise in the first place. The President's Trade Policy Agenda also states that our trade policy needs a keener appreciation of the consequences of trade for workers, families, and communities. I believe our trade policy has reflected these consequences for some time. And, we recently addressed these consequences for our workers in the globalized economy of the 21<sup>st</sup> century when we achieved a true bipartisan reform and expansion of our Trade Adjustment Assistance programs. So unless the President has something else in mind, I believe we've already addressed these issues in good faith, and it's time now to focus on implementing our pending trade agreements and to negotiate additional market liberalizing trade agreements.

Finally, I'm concerned that President Obama is sending mixed signals with respect to the North American Free Trade Agreement. On the campaign trail he called for a renegotiation or potential opt-out from this trade agreement. Now the President's Trade Policy Agenda states that the Administration will work with Mexico and Canada to identify ways to improve the agreement without having an adverse impact on trade. I don't know what the President intends, but I think the marketplace can ill-afford such uncertainty as we work to recover from our national economic downturn. In addition, I don't see how the North American Free Trade Agreement could be changed without having an adverse effect on at least some trade. For example, if the agreement is reopened, Mexico may seek to reinstate high tariffs on our agricultural exports. That would be bad for producers in my home state of Iowa. I cannot—and will not—support such an outcome. Last week I wrote to President Obama, asking him to clarify his intentions in this regard, and I would welcome the nominee's views on this as well. In closing, I stand ready to work with the President and with Mayor Kirk, if confirmed, to advance a pro-growth trade agenda for the benefit of American exporters and consumers. However, I will not support policies that either impede that agenda or would reverse the important progress that has already been made. Thank you, Mr. Chairman.