

**Statement of Ron Kirk**  
**United States Trade Representative-Designate**  
**Committee on Finance**  
**United States Senate**  
**March 9, 2009**

Chairman Baucus, Senator Grassley, and Members of the Committee:

I appreciate the opportunity to testify here today and for the time many of you have taken to speak with me. And I am very grateful to the President for having nominated me to serve as the United States Trade Representative, subject to Senate confirmation.

The President and I believe trade plays a key role in contributing to the strength of our nation's and the world's economy. We believe fundamentally that fair, open and transparent rules-based trade can act as catalyst to benefit working families and business, large and small, throughout this country. To that end, this Administration will work to ensure that the United States continues to be a leader in advancing the rules-based international trading system. For all of the challenges in recent years and its imperfections, the world's trading system and institutions provide a strong foundation for commerce that has expanded the economic pie and bound together nations. We reaffirmed our bipartisan commitment to multilateral cooperation in commerce in the recent stimulus bill. Moving forward, we can build on this record and deepen our commercial relations with the world in a manner consistent with our values.

To achieve that end, we will work to expand the benefits of trade and ensure that our workers who are negatively impacted by trade receive the assistance they need to move forward and the skills required to compete in the 21<sup>st</sup> century economy. In doing so, we are mindful that the benefits of trade are diffuse while the costs are concentrated.

It is true that cheaper foreign products help squeezed American families stretch their dollars, and the sale of our goods and services abroad support American jobs. But it is also true that the overarching benefits of trade are difficult to appreciate when a plant closes in a small community because of increased foreign competition. Everyone there is aware of it and they all feel it. When that competition is fair, Americans adjust and rise to

the challenge. When it is not, our government must act to insist that everyone plays by the agreed upon rules. This we will do.

It is within that context that we must conduct a new, open, and inclusive dialogue with Congress on trade. And I fully appreciate the central role of Congress in that conversation. If confirmed, I will come to you early and often to consult and to listen.

Roughly a quarter century ago, I had the opportunity to work as a staff member for Senator Lloyd Bentsen, with whom some of you served during his tenure as Chairman of this Committee.

Like Senator Bentsen, I come from the state of Texas, where I grew up in a working class neighborhood in Austin. As Mayor of Dallas for six years, I was what I have described as “a raging pragmatist.” I approached people as individuals and problems from a nonpartisan perspective. When I did not know an answer to a question, I did not make one up but sought others out to gain their perspectives and insights. And when one of us in my administration made an error, I reached out and worked to make it right.

I expanded Dallas’ reach to the world through a range of trade programs, including trade missions. I sponsored a competition every year for small businesses to highlight those competing strongly in foreign markets and invited the winner on those trips. As USTR, I would continue to work to increase opportunities for American entrepreneurs in the global marketplace.

As I have said, I was honored to accept the President's nomination for USTR and now come before you with an intense sense of both purpose and humility. The world economy is in a fragile state. And the President and I believe that U.S. leadership will be vital to restoring confidence and certainty to the world's financial and trading system.

But I do not come to this job with what I have called in some of our meetings “deal fever”. I know that you want the referees at the WTO to call a foul when the rules are broken. And I agree. The first order of business for the Administration on trade is to ensure strong enforcement of the rules. We will value your thoughts on how best to achieve that, and look forward to discussing additional resources that will be necessary for these efforts. Other priorities include working with our trading partners to advance the

Doha Round negotiations, working with you and the countries in question on pending agreements, and pursuing new initiatives that will seek to channel trade as a driver of economic progress – if they are done right.

And at an appropriate time and with proper Congressional input and concerns addressed, this President will require the authority to negotiate new agreements and bring them to Congress for an up or down vote.

None of this will be easy. But I look forward to working together with you to address real concerns with trade policy in a substantive way. And if you accept that trade's winners and losers are all in this together – then as the African proverb says, “the winners should take no comfort in the hole at the other end of our boat.” We must ensure and provide for a fair hearing and fair treatment for all American industries and workers. On a level playing field, our workers and entrepreneurs are the best in the world.

If confirmed, I will work toward reaching consensus on agreements that promote a more open and fairer trading system and advance the interests of America's working families. I will fight to open markets to our goods and services. And I will work to ensure that the way we negotiate and trade reflects the best of who we are.

I recognize that is a big challenge and it will be difficult to restore people's faith in the process. Unfortunately, many Americans believe that we are losing good jobs because of a trading system that is tilted against them.

Some have dismissed these concerns as protectionist and misinformed for failing to account for the good jobs that expanded trade creates. But it is wrong to do so. I believe in trade and will work to expand it, but I also know that not all Americans are winning from it and that our trading partners are not always playing by the rules.

I respectfully submit that two strong steps toward restoring domestic confidence in open markets are a real and renewed commitment to enforcement of our trade rules, including those addressing labor and the environment, as well as a new commitment to a reformed Trade Adjustment Assistance program that truly helps all workers displaced by trade. I commend Congress for its recent action on TAA and believe it was a victory

for workers and a pro-trade agenda. And I look forward to working with you on the enforcement challenge.

The President and I believe that our mission is not simply to increase American exports, as important as that is, but to ensure that the way we promote trade reflects our country's values about economic progress and justice, including through the advancement of internationally recognized labor and environmental standards. And we believe that by building on the "May 10 consensus" that was reflected in the Free Trade Agreement with Peru, we can promote those values and continue opening new markets. It is only through bipartisan cooperation that a pro-America, pro-trade agenda can move forward.

I appreciate your time, your ideas, and your consideration and I look forward to working with you if I am fortunate enough to be confirmed. Thank you.