

Chairman Jerry Moran Opening Statement
Committee on Appropriations Subcommittee on Commerce, Justice, Science, and Related
Agencies

Hearing to Examine Funding Priorities for the Office of the U.S. Trade Representative

July 26, 2018

(As prepared for delivery)

Good morning, I call this hearing to order.

Welcome to today's Commerce, Justice, Science, and Related Agencies Subcommittee hearing on the Fiscal Year 2019 funding request for and activities of the Office of the United States Trade Representative – or USTR.

Our witness today is Ambassador Robert Lighthizer, the United States Trade Representative.

Welcome, Ambassador Lighthizer, and thank you for coming to testify before the subcommittee today.

The Office of the U.S. Trade Representative is responsible for developing and coordinating U.S. international trade, commodity and direct investment policy, and overseeing trade negotiations with other countries.

Just this week, representatives from Mexico and the European Union are in Washington, D.C. for various trade discussions and negotiations.

USTR performs its mission with the important goal of securing market access throughout the world to create new opportunities and higher living standards for U.S. families, farmers, manufacturers, workers, consumers and businesses.

Over 400,000 Kansas jobs are supported by global trade, many of which are in the agriculture and manufacturing industries.

In order for USTR to succeed, Congress must make certain the necessary resources are available to carry out its important mission.

The administration has requested \$63 million for USTR in its FY2019 budget request.

As we consider USTR's funding needs, we must also be mindful of the administration's trade policies and strategy.

Ambassador Lighthizer, under your leadership, we have witnessed a significant increase in U.S. trade activity and what I consider to be a major change in both policy and strategy.

For example, you issued a letter on May 18, 2017, shortly after your confirmation, addressed to congressional leaders about USTR's intent to renegotiate NAFTA.

As you stated in that letter, NAFTA was "outdated and do[es] not reflect modern standards," and, notably, that USTR was "committed to concluding these negotiations with timely and substantive results."

More than a year later, this process is still underway. This committee looks forward to learning more about USTR's progress on these efforts and ongoing negotiations.

Ambassador Lighthizer, I do not think it would be a surprise to you that many were concerned about your efforts to renegotiate NAFTA, especially considering the administration's nonchalant attitude toward terminating the agreement.

Understandably, many are even more concerned about the administration's direction today.

In addition to NAFTA, USTR is at the heart of a trade dispute with China following the findings of USTR's Section 301 investigation.

While I applaud the administration's efforts to crack down on China's unfair trade practices, I hope you can elaborate on the administration's strategy regarding how it is negotiating with China.

The tactics we see now – where the United States imposes tariffs, China responds, the United States threatens more tariffs, China responds and so forth – appear to have gotten China's attention, but more tariffs cannot be the ultimate answer.

Any further escalation of this dispute that results in more tariffs will only cause undue harm to U.S. families, farmers, manufacturers, workers, consumers and businesses – the very people and industries that USTR is supposed to help succeed.

The effects of the current tariffs are real, and farmers, ranchers and the manufacturing sector across the U.S. and in my home state of Kansas are feeling the pressure.

For example, Stacey Forshee, along with her husband David, are 5th generation farmers from Cloud County, Kansas, where they grow soybeans, corn, wheat and also raise cattle.

The Forshee family, as well as many of their neighbors, will begin fall harvest in the coming months. Decreased commodity prices – which have coincided with the ongoing tit-for-tat tariff battles – coupled with already reduced farm revenues, which have fallen by 50 percent since 2013, is driving Kansas farmers like the Forshees to the edge.

All told, it has been estimated that \$361 million of Kansas exports are being threatened by various tariffs.

Bottom line: trade and exports are how we earn a living in Kansas and farmers, ranchers and our nation's manufacturing industry cannot afford a trade war.

Ambassador Lighthizer, thank you for joining us this morning and I look forward to your testimony.

I now would like to recognize the CJS Subcommittee Ranking Member, Senator Shaheen, for her opening remarks.

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