

**** TESTIMONY OF AMBASSADOR ROBERT LIGHTHIZER BEFORE THE
SENATE APPROPRIATIONS, CJS SUBCOMMITTEE****

Thursday, July 26, 2018

Chairman Moran, Ranking Member Shaheen and Members of the Subcommittee,
thank you for inviting me to participate in this hearing.

It has been just over 14 months since I was confirmed as the United States Trade
Representative. It has been a very busy year for our agency. I would like to
highlight a few of the matters that have kept us occupied.

- We have been renegotiating the North American Free Trade Agreement at
an unprecedented speed. This would be the first comprehensive
renegotiation of a U.S. trade agreement. As part of that process, we have
consulted extensively with Congress as required by the TPA legislation.
Hopefully, we are in the finishing stages of achieving an agreement in
principle that will benefit American workers, farmers, ranchers, and
businesses.
- We are finalizing revisions to the U.S. – Korea Free Trade Agreement
(KORUS). We arrived at an agreement with the Koreans to strengthen
domestic truck manufacturing here in the United States, allow more U.S.
vehicles to enter the Korean market without burdensome regulation, and fix

a host of implementation issues related to customs for agricultural and other goods, pharmaceutical products, and other issues.

- We are actively engaged in efforts to commence new trade agreement negotiations. After the confirmation of my Deputy United States Trade Representatives in late March of this year, I instructed Ambassadors Mahoney and Gerrish to consult with Congress and work with their foreign counterparts to find future partners for new agreements. We are speaking with countries in Southeast Asia and Sub-Saharan Africa as we move forward and start the process of negotiating FTAs.
- We have taken action on two Section 201 investigations, one on solar products and the other on washing machines. These are the first Section 201 investigations since 2001. Both cases involved tremendous work to review the cases petitioned and resulted in ITC recommendations for relief, which the President largely accepted. And we have seen success as domestic manufacturing in both of these important industries has increased as a result.
- At the direction of the President, USTR has been leading the Section 301 efforts to combat unfair Chinese intellectual property practices. In March of

this year we published our report and identified several major problems, including forced technology transfer, non-economic licensing practices, state-funded strategic acquisition of U.S. technology, and cybertheft. In response to the Chinese actions, President Trump directed the implementation of several measures, including a WTO dispute, targeted tariffs, strengthened export controls, and rigorously addressing state-directed investment in critical technologies.

- We are also pursuing and defending numerous trade actions at the World Trade Organization. We are actively litigating 10 offensive disputes, defending 21 other disputes, and participating as a third party in approximately 20 more disputes.
- In addition to these major initiatives, USTR runs a host of other programs and deals with many trade issues day in and day out. We operate the Generalized System of Preferences program and the African Growth and Opportunity Act program, we monitor the many trade agreements we have in place, we prepare and publish numerous reports on trade, we lead the interagency process for developing trade policy, and we work on a daily

basis with our foreign counterparts to reduce barriers to U.S. trade around the world. We have a full plate.

Finally, I would like to touch on the budget of USTR. In FY 2017 we were appropriated \$62M with an option of deriving funds from the trade enforcement trust fund, a trust fund created under the 2015 Trade Facilitation and Trade Enforcement Act. Our appropriation for FY 2018 was \$57.6M plus \$15M from the Trade Enforcement Trust Fund. We are certainly grateful for the added appropriation and are focused on making the best use of it in the few remaining months of FY18. For the FY 2019 President's Budget, USTR requested \$63 million to support staffing increases and focus on priority areas. For FY19 appropriations, we have seen the Senate and House marks, which again include funding from the Trust Fund. Given the breadth of our activities and the President's ambitions, we will plan to use base and Trust Fund resources to increase our capacity to address the Administration's many trade priorities.

I thank the Members of the Subcommittee for their time today and look forward to answering your questions.