FINANCE COMMITTEE QUESTIONS FOR THE RECORD

United States Senate
Committee on Finance

Hearing on
Confirmation of Mr. Michael Froman to be
United States Trade Representative
June 6, 2013

Questions from Chairman Baucus

Question 1

Mr. Froman, you have a very ambitious trade agenda before you. To fulfill the promise of that agenda, we need Trade Promotion Authority. With multiple negotiations moving forward, there is no time to waste. That is why I would like to see a bipartisan TPA bill introduced this month. I’m pleased that you are making TPA renewal a priority, and that you will engage with Congress to get TPA done quickly. Can you confirm that the President is formally requesting renewal of Trade Promotion Authority?

Answer: Yes. If confirmed, I will engage with you to renew Trade Promotion Authority. TPA is a critical tool. I look forward to working with you to craft a bill that achieves our shared goals.

Question 2

For the past decade, I have fought hard to make sure our trade deals were good for U.S. agriculture. We’ve made progress in getting more access for U.S. beef in important markets like Japan, South Korea, and Taiwan, but the work there remains unfinished. And even as a Chinese company bids for a major U.S. pork producer, China remains closed to U.S. beef.

How will you make sure our trading partners in Asia and Europe are using sound science in relation to our exports of beef and other agricultural products? In this regard, how will you use the recent good news that the OIE has reclassified U.S. beef with its safest rating?

Answer: The OIE’s formal recognition of our negligible risk status for BSE is an important step to expanding U.S. exports of beef and beef products. If confirmed, I will work with USDA to press trading partners to open their markets to U.S. beef based on science and consistent with OIE guidelines for countries with a negligible risk classification.

Question 3
Answer: I know that you and other Members of Congress have a strong interest in this sector. I am committed to consulting closely with you to find the appropriate balance between the divergent views of different stakeholders on this issue and to ensuring that the approach we take in TPP best supports American jobs.

Question 9:

Last year Taiwan was the 11th largest U.S. trading partner, with total trade of $63.2 billion. Does the Administration ultimately envision a free trade agreement between the U.S. and Taiwan? What is the Administration's view on Taiwan's eventual participation in the TPP?

Answer: The United States and Taiwan have a strong and important bilateral trade and investment relationship. If confirmed, I will seek to enhance further our relations with Taiwan. I believe we should continue to focus on strengthening our economic relationship with Taiwan through our bilateral Trade and Investment Framework Agreement. Regarding participation by Taiwan in the TPP, the TPP is open to all APEC economies -- including Taiwan -- that can establish their readiness to meet the high standards of the agreement.

Questions from Senator Burr

Question 1:

Over the past year, the government of India has taken a series of actions that have violated the patent rights of U.S. companies and undermined global intellectual property regimes. If left unaddressed, these actions will continue to cause significant economic harm to companies doing business in India and also have the potential to be copied by countries around the world, harming U.S. jobs and exports globally. If confirmed, what actions will you take within the first 90 days to deal with this significant issue?

Answer: I share your concerns regarding the deteriorating innovation climate in India, including recent actions with respect to patents. If confirmed, I intend to work closely with other agencies and with Congress as we consider appropriate actions to take in response. I expect that such a response will include engaging bilaterally with India to explore policies of concern as they relate to international commitments, and to discuss alternative and more effective approaches to achieve India's domestic policy objectives. This could include engagement in the WTO and other multilateral fora.

Question 2:

India has also adopted export policies on cotton ranging from quota restrictions to licensing arrangements to complete bans, and these policies have caused significant disruption in world cotton markets. Will the Administration consider all possible options to address these trade-distorting policies?
Answer: I understand that USTR has pressed India on those of its export policies, such as export restrictions, that distort global cotton markets. If confirmed, I will reinforce USTR’s ongoing efforts to engage India actively on these policies, both bilaterally and multilaterally including at the WTO, to ensure that the Administration makes full use of all available policy tools.

Question 3:

Last year, USTR proposed including a new exception in the Trans-Pacific Partnership which would treat tobacco differently than every other product. Not only would this proposal harm tobacco producers in my home state of North Carolina and undermine the goal of having a comprehensive trade agreement, but it would set a dangerous precedent for the treatment of other products in future free trade agreements. The proposal has been opposed by USTR Ambassadors from both Republican and Democratic administrations and by numerous business and trade organizations. If confirmed, will you assure me that you will not seek to implement this proposal?

Answer: If confirmed, I will work to ensure that handling of tobacco in TPP is consistent with our trade policy objectives while preserving our ability to implement appropriate public health measures.

Question 4:

The U.S.-Colombia Trade Promotion Agreement provides that the United States and Colombia may agree to accelerate tariff reductions on items in the agreement. Please know that I fully support the acceleration of tariff reductions on U.S. exports of straight trucks to Colombia. I see no reason why we cannot get the tariff acceleration done this year and create another success under this trade agreement. Will you promise me you will try to accomplish this goal within the next few months to give U.S. exports better access into this emerging market?

Answer: I understand USTR is working with U.S. industry in order to make a proposal to Colombia to accelerate the elimination of tariffs on a range of products, including trucks. If confirmed, I will ensure that USTR continues to pursue an agreement with Colombia on accelerated tariff elimination.

Question 5:

The European Union committed under the 2009 U.S./EU Banana Agreement not to return to discriminatory and restrictive banana tariff rate quotas and licenses. In 2012, however, the EU enacted new legislation requiring licenses and quantitative limits on banana imports from certain Latin American countries. Please explain how these new requirements will be administered in the EU and affected Latin American countries, whether the requirements will discriminate against or restrict U.S. interests in practice,