



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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The Senate today voted in a voice vote to confirm Susan C. Schwab as United States Trade Representative. Sen. Chuck Grassley, chairman of the Committee on Finance with jurisdiction over international trade, made the following floor statement prior to the vote.

Floor Statement of Senator Chuck Grassley
in Support of Nomination of Susan C. Schwab
to be United States Trade Representative
Thursday, June 8, 2006

Mr. President, I rise in strong support of the nomination of Susan Schwab to serve as United States Trade Representative. It's almost seven months to the day since the Senate unanimously confirmed Ambassador Schwab to be a Deputy United States Trade Representative. During her service in that position, Ambassador Schwab has amply demonstrated her qualifications to take over as our next Trade Representative. She successfully concluded negotiations of trade agreements with Peru and Colombia, and has been actively engaged in the ongoing negotiations of the Doha Development Round of the World Trade Organization.

Given her strong background in trade policy, it's not surprising that Ambassador Schwab has served so well in her current position. Ambassador Schwab formerly served as Assistant Secretary of Commerce and Director General of the U.S. & Foreign Commercial Service. That's an agency within the Department of Commerce with people on the ground in foreign countries pushing for the interests of U.S. businesses. She herself worked abroad to advance U.S. trade objectives while serving as a trade policy officer in the U.S. Embassy in Tokyo. And her first job in Washington was as an agricultural trade negotiator in the Office of the United States Trade Representative.

Ambassador Schwab thus knows full well the importance, and the challenge, of advancing the trade interests of U.S. farmers. Ambassador Schwab also has extensive experience working in the Congress. She spent eight years during the 1980s as a trade policy specialist and then as legislative director for Senator Danforth at a time when he chaired the Trade Subcommittee of the Finance Committee. Ambassador Schwab is well aware of the important role that Congress plays in U.S. trade policy. I look forward to working closely with her in advancing U.S. trade objectives.

In addition, Ambassador Schwab has experience working on trade issues in the private sector. At one point she worked for Motorola as Director of Corporate Business Development. In that position she engaged in strategic planning on behalf of Motorola in Asia. More recently, she served as Dean of the University of Maryland School of Public Policy from 1995 through 2003, and then as President and CEO of the University System of Maryland Foundation as well as Vice Chancellor for

Advancement. Her academic and private sector experiences complement her strong background in government service.

Given the major challenges we face in advancing a robust trade agenda, it's especially important that we have someone of Ambassador Schwab's caliber to serve as our Trade Representative. We need to achieve substantial progress in the Doha Round negotiations, and soon, if we're going to succeed in getting an agreement before trade promotion authority expires next year. And we still have a long way to go to reach an ambitious outcome that would be acceptable to the United States Congress.

We're also in the process of negotiating free trade agreements with a number of important trading partners, including South Korea and Malaysia. Our negotiations with South Korea and Malaysia will present new challenges, particularly in addressing regulatory and other non-tariff barriers to trade.

It's essential that our bilateral negotiations with South Korea, Malaysia, and other nations conclude in time to be considered under trade promotion authority.

In addition, it's important that our next Trade Representative continue to encourage meaningful regulatory reform in other major trading partners such as Japan and China.

And I expect Ambassador Schwab to continue to push our trading partners to come into compliance with their existing trade obligations, such as Mexico's obligations under NAFTA and the WTO regarding the importation of U.S. agricultural products, and China's obligations to protect intellectual property rights.

Separately, I expect that any bilateral agreement on Russia's accession to the WTO will be concluded on strong, commercially meaningful terms, and will not be rushed to meet some artificial deadline. Russia must demonstrate its willingness, ability, and commitment to abide by WTO rules.

It's important that we remind ourselves of the tremendous benefits that we derive from open international trade. On average over the past decade, our economy has created a net 2 million jobs each year. And in 2005, our unemployment rate dropped to 4.7 percent, which is well below the averages of the 1970s, 1980s, and 1990s. An important part of our economic success is due to trade. During the last decade, our exports have accounted for about one-quarter of U.S. economic growth. And jobs created by exports are estimated to pay 13 to 18 percent more on average compared to non-export jobs.

With respect to agriculture, approximately one-third of acres planted in the United States are for export. And our services sector, which accounts for almost 70 percent of the U.S. economy, is anxious to break down barriers to our exports of services around the world. Today our services exports account for little more than a quarter of total U.S. exports of goods and services, so breaking down barriers to our services exports would go a long way toward helping us improve our trade deficit.

Therefore, Mr. President, we in Congress need to recommit ourselves to securing improved market access for our exporters, both in the Doha Round negotiations and by means of bilateral and regional trade agreements.

In conclusion, I'm confident that Ambassador Schwab will effectively meet each of the many

challenges she'll face as our next Trade Representative. Her experience and skills make it quite evident that she's the right person for the job. I urge my colleagues to join me in supporting her nomination. And, once she's confirmed, I look forward to working with her to advance an ambitious trade agenda.