

**Ambassador Rob Portman**  
**United States Trade Representative**  
**Informal Media Availability**  
**April 25, 2006**

**Ambassador Portman:** We haven't had a chance to talk since the President asked me to move over to OMB, so if you have any questions about that I'd be happy to talk about them. I don't know when it will happen. I have the great honor of going through the confirmation process with not one, but two committees of the Senate. Governmental Affairs, which has been traditional; and then Budget, which apparently was added as a result of the Homeland Security Bill. So the Budget Committee also gets an opportunity to ask me some questions.

So far my calls have gone great with committee members. Joe Lieberman is the ranking on Governmental Affairs, and Kent Conrad on Budget. I know them pretty well. They've been supportive of moving it forward, so I think the confirmation should go pretty quickly, but you just don't know.

Today one of my, actually it was a reporter today overseas asked me when are you moving over? I said well actually, our system's a little different here. I don't know. I can't tell you. Will it be two weeks or six weeks? I don't know. But somewhere in that range.

In the mean time I will be very engaged on the USTR issues including Doha. What is very fortunate for the United States trade agenda is that Susan Schwab was in place and she's fully conversant on all the issues including Doha. Some of you remember seeing her in Hong Kong. She handled the services sector issues in Hong Kong. She also has handled the general Doha responsibilities back here where Peter Algeier handles them in Geneva. Peter is our ambassador in Geneva, chief negotiator in Geneva. Peter will also stay. Karan will also stay, who is the other deputy. So Susan had Europe, the Americas, and a lot of topical areas and some Doha responsibility and the Middle East. Then Karan had and still will have Africa, Asia and so on.

So it really is going to be a seamless transition. We will not miss a beat at USTR. And for those of you who don't already know Susan I will tell you I think you're going to enjoy working with her. She is very knowledgeable in trade. Has more trade background than I do, more than any recent USTR with the exception maybe of Charlene Barshefsky. She has more Hill experience, as I look back, more than any recent USTR with the exception of me because I was on the Hill for 12 years as a member. Some of the reporting has been well gee, she doesn't have the Hill background that a USTR needs. She has more Hill background I think than any USTR has had until I came along, and it will serve her well. She's well respected on the Hill. I know you've seen some of the quotes from people from Stenny Hoyer to Max Baucus who have said good things about her. But it's not just among Republicans. She understands the need for a bipartisan trade agenda. So I'm really excited about the President's decision to promote Susan. She's absolutely qualified.

And again from my point of view we are facing such a busy agenda at USTR I was nervous about having a gap in leadership. We're in the middle of a dozen bilateral negotiations. We're in the middle of two very intense WTO accession negotiations. And we're in the middle of an extremely important Doha negotiation. Not to mention China enforcement actions and a number of other specific issues like the softwood lumber issue. So we've got plenty on our plate and it

was really important to me to have somebody who could come in immediately and handle all those issues.

Again, we'll be working together until I depart, so we're in a sense doubling up right now.

On the Doha front I'm disappointed the deadline wasn't met for April 30<sup>th</sup> to have modalities. I'm not surprised, nor are you. This is what unfortunately I and many of us had predicted because we just haven't been able to bridge the differences on market access. But it is a disappointment.

We will now need to redouble our efforts to bridge those differences. Those differences go to the core of Doha. Is it going to be an agreement that results in new trade flows or not? And the question is whether we're going to see new trade flows, therefore new economic activity, therefore improvements in both the global economy and development. This was the purpose of Doha post 9/11 to generate more economic growth and more opportunity particularly in the developing world to give people a better life. That cannot happen without an ambitious result because otherwise you won't have the economic growth and activity that trade creates.

This is the issue that is staring us in the face. Are we going to truly reduce barriers to trade or are we going to settle for a Doha light, which enables us to keep the process moving but doesn't meet the Doha expectations?

The United States has been and will continue to be totally committed to an ambitious result. We believe this should occur across the board from domestic support to reductions in tariffs and all goods from computers to corn. That's been our position since the start and six months ago we reaffirmed that commitment with a very specific proposal calling for a substantial reduction in our trade distorting domestic support. We didn't just meet the Doha requirement, by the way, we exceeded it. And I know that put a lot of pressure on some of our trading partners to do their part which is to provide the market access that will provide most of the development gains. The World Bank forecasts that 63 percent of the income gains for the world's poor will come from agriculture and 93 percent of that will depend on improved market access. The same is true in manufacturing.

In NAMA we have to see paragraph 24 enacted. It was the Hong Kong paragraph which states there will be comparable ambition in both non-agriculture market access and in agriculture in terms of market access. We've made that commitment to ourselves, we need to keep it.

July 2004 we said that there must be a substantial improvement in market access. All 149 countries agreed to that. We have yet to see it. In terms of domestic support we said there would be significant reductions. We said that in the most trade distorting area, AMS, which is the so-called amber box, that it should be significant. The expectation was a 50 percent cut. A couple of weeks before the US proposal the Europeans challenged us to go higher, to 55 percent, to cut our AMS by 55 percent. We did that publicly. We came in with a proposal at 60 percent, purposely, to show that the US was willing not just to meet but even to exceed the expectations.

In the second category that is critical to many countries which is the blue box, right now although it's somewhat less trade distorting it's a major concern to many developing countries. Right now there is an unlimited amount provided for in the blue box. In July 2004 we said it

should be limited to five percent of your production. The United States proposal purposely was to go beyond that and say it should be 2.5 percent of production, cutting it in half.

So the United States is willing to do its part. We're willing to take on our responsibility. But we said at the same time that the domestic support, of course, needed to be matched by new market access through reductions in tariffs and we are still waiting. That is with regard to agriculture but also with regard to NAMA, non-agricultural market access. We also of course feel strongly that services needs to be part of the mix. That won't be decided until the end of July, as you know, and wasn't meant to be decided on April 30<sup>th</sup>.

The US position is pretty simple. We're not backing off one bit from our commitment to the round, from our dedication to having it be an ambitious round that really does create new trade flows and therefore economic growth and opportunity, particularly in the developing world. We will do everything we can to make that happen.

Along those lines I had hoped we could have a meeting as part of the April 30 deadline. The WTO has decided not to move ahead with the meeting. I think that's a mistake. I think it's always good for the ministers to come together eyeball to eyeball to talk honestly about our differences and attempt to bridge those differences. Even in the absence of a meeting of ministers, I plan to go to Geneva. Susan Schwab will be with me. We'll probably go early next week. I'm hoping that we'll have the opportunity to meet with various groups including the G20, the G90, and the Cairns group and others who are interested in a successful conclusion of the round. We'll also meet, of course, with the Director General and the committee chairs and any others who happen to be in town.

But the effort will be to try to figure out ways to break the deadlock and come to a resolution.

There's a question about timing, I know. Should we wait until July 30<sup>th</sup>, should we do something in May or June? My view is as soon as possible. We've been at this for over four and a half years now and it's time for us to face the big issues and decide, as I said at the outset, whether we are going to meet the Doha mandate which is to provide for new trade flows.

With that, your questions on anything, except the budget.

[Laughter].

**Question:** Have you had any discussions yet with Peter Mandelson about your plans to travel to Geneva next week, and do you know if he'll be joining you?

**Ambassador Portman:** I don't know. I talked to Peter last week, had a good talk with him. I called to tell him about Susan, in fact he was my first call. He later had a conversation with Susan and was very gracious. He welcomed her. But I told Peter that I'm going to be around for a while. Susan and I are both committed to the round. There's no backing off.

I've seen in some publications that the Europeans are saying this is a sign that somehow the United States is backing off. I made it very clear that we're not backing off one bit. I was very clear about that a moment ago in talking to you all, but we've also done that, I've had telephone calls with over ten Ministers now from around the world in the last six days. All the calls have

been great. In each call I've been able to introduce Susan formally if they didn't already know her, although most of them already know Susan. In fact I think all of them already knew her. But I was able to tell them personally about the fact that this will be a seamless transition and that we have a total commitment to Doha. This included our friends in Korea, Japan, Australia, India, the EU, Zambia, it's the LDC group. So we're not changing our energetic approach to Doha.

**Question:** Last week Mr. Mandelson said the US needs realism in these talks, a sign that you've basically laid out what you want in terms of market access from the EU, and it seemed to me, I think the world, that we can't do this, so if the US wants a deal they better come back with some approach that we can actually do. What's your response to that, basically?

And secondly, if I could just jump in, your trip to Geneva next week, is it the idea of trying to make the case to more WTO members that we are still committed here, don't believe what you read on the front page of the FT? Or in Bloomberg, for that matter.

[Laughter].

**Ambassador Portman:** Bloomberg hasn't been bad.

Let me say two things. One, when I made my recommendation that we meet as ministers it was long before I knew that I was going to OMB, or had any inkling of it. After last week when I knew, I reiterated my preference for that. And I've always planned to go so this really has nothing to do with the transition, nothing to do with Susan, it has to do with the fact that I think we as ministers have a responsibility to be directly and personally involved. So I think it will help in terms of being sure that the Geneva community gets to know Susan Schwab better. She's been over there but I think it's important that we go together. So I think it turns out that this is a good opportunity.

But just as I believed there ought to be a meeting long before I knew that I was possibly going to be moving on if confirmed, I had planned to go anyway. I think it's important to go. I think it's important yes, to talk to colleagues and ambassadors, and some of these groups will not be represented by ministers probably but more the ambassadors about the US objectives in addition to talking about the transition.

**Question:** The realism?

**Ambassador Portman:** Oh, realism. I think what we're asking is very realistic. It's not only realistic, it's the only way to meet the Doha requirement that 149 countries agreed to in 2001 and reaffirmed in 2004.

We've been very careful to say that the United States is interested in negotiating and in doing so in good faith. With all due respect, not in the media but with our colleagues around the world. And that our proposal is not a take it or leave it approach. We've always said that, as you know, in contrast to some of our trade partners who have put proposals on the table and said take it or leave it. I don't think that's the right approach. We've never taken that approach.

We've also said that on the issue of new trade flows in agriculture that there needs to be a global formula that actually provides for new trade. That's all we're asking. We have said that we can live with something between our proposal and that of the developing countries, the so-called G20 proposal. You recall that our proposal calls for about a 66 percent reduction. The G20 proposal calls for about a 54 percent average cut. Each of us believes there ought to be a very limited number of sensitive products. We think in the European context one percent would be 18 products. That's the G20 proposal in the developing countries. That's our proposal. The EU, on the other hand, is at a 38 or 39 percent average cut and 142 sensitive products.

So this notion that somehow the United States is the outlier is just not the case. We are much closer to the G20 proposal and we've said in fact we can live with, between our proposal and theirs. The Cairns group, as you know has been very supportive of an ambitious result and most of the have endorsed our proposal or gone further. Talk to Australia or New Zealand or Canada or members of the Cairns group or developing countries. A number of them said without real new trade flows in agriculture this can't be considered a successful round. That would be consistent with the World Bank analysis and other analysis that's been done. Unless you can create new trade flows you're not going to see the development gains. It's sort of elementary. If you don't have new trade and new economic activity how can this be considered a success?

So I don't think it's unrealistic to say that we ought to be able to show progress and a substantial improvement in market access was something we all agreed to. That's all the US is asking for. At the same time we're willing to take on our responsibility.

I understand the EU has an issue with France and there may be a few other countries in that category too who we don't hear from as much. The French have been quite outspoken that they will not budge.

Here in Congress, I sometimes hear from some members of Congress who say they won't budge either, but we have taken that on head on. We've put out a very ambitious proposal calling for substantial reductions in market access along with substantial reductions in domestic support. And I would just hate to see a minority, a small number of countries within one trading bloc that is understandably influenced by a small part of its economy, that is politically powerful, decide the fate of the Doha round.

It would be a little bit like us saying well, the state of New York's not with us, or California's not with us, so we can't move. It's the lowest common denominator approach, which if you follow the lowest common denominator we won't achieve the Doha expectations. It can't happen.

**Question:** A related question. This trip to Geneva, I noticed you're not meeting with, at least you didn't tell us about European ministers you're meeting with. You've made an effort in the past to reach out to individual EU member states. Is that part of this trip or are you going to try to --

**Ambassador Portman:** I don't know if any trade ministers will be there from any of the EC25. If they are, we will certainly reach out to them. We have spent a lot of time talking to EU member states. We've had a lot of very constructive meetings. The Germans were here, as you know, two weeks ago, Minister Glos. They are very supportive of an ambitious result in Doha

across the board. I would encourage you to talk to them directly. Angela Merkel will be here meeting with the President I understand next week. She has been terrific in my view, in talking about the importance of the round and in particular the need for us to see reductions in barriers across the board. German, as you know, has a strong interest in the industrial tariffs. And so I don't think the United States should stop talking to our trading partners. I think it's important and I think it's been helpful, but it has not yet resulted in a breakthrough within the EU.

**Question:** How come the EU has been able to resist for so long? Everybody keeps saying they have to do more on market access. We've been hearing this for a long time now and it doesn't seem like there's been any real appreciable movement.

What is it that's going to make them change their mind?

**Ambassador Portman:** Two things. One, I agree with Peter Mandelson that the emerging developing countries need to be more open to reducing their non-agricultural tariffs. And if that happens it then gives the Commission the ability to more effectively build consensus on agriculture. This is why I have said for a long time that we need to move in concert. That's why I thought the paragraph 24 language was very helpful. It's not just about agriculture, it's about these other important areas of trade as well. In fact the bulk of the trade occurs, as you know, in the NAMA area. So that's one aspect of this.

I've been very direct with our colleagues and trading partners and friends in Brazil, China, and India and elsewhere that they have a role to play here. And Pascal Lamy has been frank with them. So that will help according to the Commission, and I agree with the Commission on that, that that is only fair that there be reductions not just in agriculture but also in the manufactured product tariffs. And in services. Again, services is a little bit less timely because the plurilateral process is meant to come together at the end of July and April 30<sup>th</sup> was supposed to be the modalities or framework for tariff reductions in non-agricultural and agricultural products. But services also needs to be part of the mix and we're making progress here, by the way, on the plurilateral process. I can report that we are meeting expectations and maybe exceeding them a little bit as compared to even a couple of months ago. That will be key I think to the Europeans dealing with their internal issues.

But at some point, I can't --

**Question:** Sometimes it just seems like this is a rhetorical exercise rather than actual negotiations, and that countries like maybe India and Brazil are thinking that well, if we just wait long enough, I mean the EU has already done several cap reforms. There's US budgetary pressure which will probably, which could weigh in on the farm bill. I mean I don't know and force cuts on their own. So why should we give up market access if these countries are just going to be cutting on their own anyway?

**Ambassador Portman:** There may be some who think that, but what the US is offering is significant and significantly different from what would otherwise happen. I would refer you to statements from any number of legislators on both sides of the aisle.

**Question:** So you don't think that budgetary pressure will force cuts in the farm bill if there's no Doha round?

**Ambassador Portman:** It's hard to predict. I think the new farm bill which will be written next year is still unformed and it's hard to know exactly how it comes out. But I feel confident in telling you that it will be far more likely for us to see reductions in trade distorting support if we have a successful Doha round in hand. There's no question in my mind. Again, I just refer you to what happened last year in the appropriations process and the statements from even some very supportive trade legislators including Senator Grassley yesterday.

It's about fairness. You recall that our friends and trading partners across the Pacific and Japan, and across the Atlantic in Europe, have far more domestic support than we do. It makes it difficult, forgetting Doha and forgetting the importance of encouraging more trade, it makes it difficult for us to argue to our agriculture community that we need to reduce when they do not. The Doha round explicitly deals with this by saying there must be harmonization, meaning those that have more support need to reduce more, so the Europeans and Japanese need to reduce more than us and that's been accepted by all 149 countries.

The Europeans use three times more than we do right now. They have the ability under the Uruguay round restrictions to use four and a half times more than we do. Yes they've had CAP reform and I've applauded them for that, but even after CAP reform they still have far more support going to their farmers than we do.

I know sometimes they're on the defensive, looking for ways to go on the offensive. The one I heard recently was, last week it was the US proposal could never pass the Congress and they are just misleading us which, you know, I don't know what to say about that.

But I think it's been remarkably well received by the ag community, our proposal. I think in the last six months that you all are probably as surprised as I am that we've been able to hold together our coalition as well as we have. It's been terrific. I'm very grateful to those who have stuck with us including the chairs of both Ag Committees and most all the commodity groups because they understand the tradeoff here, market access tradeoff as well as the export subsidy tradeoff. So I do think our proposal is realistic and it can get through the process with market access.

On the other hand, I read today in the paper, well, it doesn't go far enough. So to a certain extent they have to make their mind up. Does it go too far or doesn't it go far enough? The reality is it meets and in some respects exceeds the Doha requirement, and I talked about that. The AMS, blue box, and it is realistic with a comprehensive agreement in Doha. Now the shoe is on the other foot. It's time for market access to come forward.

What we're asking for is new trade flows. It's not a question of some US requirement, it's a question of meeting the Doha requirement. As I said, there are many developing countries that share our interest in this. Brazil takes the lead, but there's a long list of countries that support Brazil on more market access and then a lot of other countries that are net exporters that happen to be developed countries like Australia are also behind it.

It's the core of Doha. That's providing new opportunity through new trade.

**Question:** But this idea that the US has to do more on domestic subsidies. I know you've said it's not a take it or leave it proposal which I suppose leaves open that possibility, but do you acknowledge that as part of the final deal you'll have to go further on domestic subsidies than you've gone already?

**Ambassador Portman:** It depends on what other countries come up with in terms of market access.

**Question:** During the weekend, this weekend at the IMF meetings, Gordon Brown brought up an old suggestion that we're at the point where we need a heads of state meeting to break this deadlock. Have we reached that point yet? Or is that something we could always try before giving up on the Doha round?

**Ambassador Portman:** We could always try before giving up on the Doha round. I'm not against it. I think our view has always been that, and the President has spoken on this, that if it would be useful we certainly would be willing to participate. The question is, do countries have the political will to open up their markets more? We don't know that a heads of state meeting is the magic solution to that. It's a question of commitment. We just don't see that yet.

One thing I've always asked is who would be at such a heads of state meeting? It's a question also of which countries would be there. There are two sides to that coin, of course. Part of it is if you have countries there that have made ultimatums as you see in the press today if you read it, who are fast to say we will not move, we will not change CAP one iota, we will not — How is that helpful? It's sort of hard to reach a consensus in that case.

Second you have the question well, if those countries are not there then how can you have an effective WTO agreement? WTO works by consensus.

See what I'm saying? In other words, I've always wondered what the configuration of leaders would be. Would they be representative of the entire body? If not, what would the conclusions mean?

**Question:** Do you think there should be a ministerial meeting?

**Ambassador Portman:** I thought it would be helpful to have one as part of the April 30 deadline. Ministerial is a little bit of a defined term. I think that means more like Hong Kong which I don't think is practical. Those meetings are such a huge event, as you all saw, those who were there.

But more of a green room type process. That was what was envisioned, as you know, to come together at the end of April where you would have member countries there representing the major groups including the G20, the G90, the Cairns group and so on, G33. And that's what we did in Hong Kong at night. Every night we stayed up late or all night one night with a group of about 35 or 40 members. I think that would be useful.

I don't know what the timing is now. We've kind of decided as a membership — I'm not suggesting that other countries were for a meeting either. I think there was a survey done of sorts and I think it was determined that it wasn't a good idea. I disagree with that but I don't

expect that just because the US wanted a meeting that we would have one. I think we need to go along with the group in this. The question then is when would you have the next meeting. I've heard May, I've heard June, I've heard wait until the end of July. Again, I think I said at the outset, I think as soon as possible.

**Question:** Do you think at this point there would be a point to set up a meeting as far as having a deadline to work towards?

**Ambassador Portman:** I don't know. It's a real process question that I have mixed feelings about. Again, in your stories over the last couple of days you reported that people are saying we shouldn't have any more deadlines because we keep missing them. On the other hand, if we don't have deadlines I don't know how you get your work done.

I do think deadlines are needed and I think they're important.

**Question:** Senator Grassley said yesterday that he didn't think the prospects for renewing TPA were very good. Do you share that assessment, given your contacts with people on the Hill? He also laid out the idea of a possible one year extension of the TPA. Is that something the administration would go along with?

**Ambassador Portman:** To your first question, and I think I've said this before, but I think it depends on the quality of the product that we're bringing before the Congress. TPA is necessary for us to be able to negotiate good agreements because other countries don't want to negotiate with the United States and then under our special system, it's not unique probably, but it may be unique. Those agreements can be amended in our legislative process. Whereas in their countries for the most part you negotiate at a table like this and then you can take it to the legislature for an up or down vote. So it's an important tool to have. I've always thought that the burden is on us in the administration to bring forward the promise of good agreements that then need that TPA process to be completed.

Example, I think our prospective agreements with Malaysia and Korea could be in line early next year. They may be ready to be voted on before TPA expires or they may be close. I'm hopeful we can complete our negotiations with several other trading partners where it would be so strongly in our interest that it would encourage members to extend or reauthorize TPA. Doha. One reason I'm so interested in having this Doha agreement come together is I think it encourages the US to move forward with Trade Promotion Authority, whether it could be done before TPA expires or certainly we need to reauthorize it in order to take up Doha.

So I think it depends on the underlying trade legislation that would need TPA.

I'm hopeful. I've talked to a number of Members about this and I have found that they are reserving judgment. They're not saying no, they're saying we'll see. We'll see where we are, we'll see how we're doing on our trade agenda.

**Question:** Maybe July 2007 is not the deadline then?

**Ambassador Portman:** Well, there's a risk as I've always said, of us not meeting that deadline. Last time it took eight years, and typically there has been a gap.

**Question:** But if there's a good deal then you think somehow --

**Ambassador Portman:** I think it certainly helps, both on the bilateral front and the multilateral front. But as I said also at the outset, you recall I did not say we need to bring this deal together by the end of the year because of TPA. I said we need to do it because it's the right thing to do. We've been talking for more than 4.5 years, and we know where the problems lie. It's not a question of technical work, it's a question of political will.

**Question:** Does there come a point though, on the question of political will, does there come a point where you determine that the political will isn't there in your trading partners? And as a result you do decide to put US trade resources in other places such as more bilaterals?

**Ambassador Portman:** I don't think so because I think this is too important. There are two great advantages to Doha. One is it's universal. That means the tariff reductions, new market access is not just in a particular country and in a particular manner, but it's across the board. And increasingly the US companies are global companies that have interests in selling their services or products virtually everywhere. You only get that with Doha.

Second is the rules and the disciplines. Our bilaterals do have dispute settlement mechanisms, but the way in which we can ensure that trade continues to be free and fair is through multilateral disciplines and rules. That's WTO. That's something you get uniquely in the Doha round.

So it's just too important.

Finally, it's just the economic impact. These individual agreements are important but there's nothing like a global trade agreement in terms of really wrapping a lot of economies together into a more efficient system that provides for more trade flows.

Korea is the tenth biggest economy in the world now and this would be the biggest agreement since NAFTA. It's a very important agreement and we'll do billions of dollars of new exports there, and vice versa if this agreement comes through. But still, it is just one economy so you can't get the, you'll get deeper cuts there but you don't get the breadth of cuts across the economies.

So I think it's too important for us to back down. I think the United States must continue to press and not be distracted.

On the other hand, as I've said many times, there's nothing inconsistent about doing both. I know I've probably stretched our resources a little thin at times, but we are doing both and we're doing it effectively. I don't think if you went to Geneva you'd find anybody in the WTO that wouldn't say that the United States is up to speed on all the Doha issues. We're responsible members and partners. We work it hard and we try to be constructive in these trade policy review things going on now. The United States did I think a beautiful job presenting our point of view and answering questions. We answered every single question in a timely way. Now we're posing questions to others. We're doing the hard work. We've run the simulations. At the same time we're negotiating with a dozen countries and we're doing a good job there.

We just completed our agreement, as you know, with Peru. We go up to the Hill shortly. On track with Colombia. Send it to the Hill as soon we're done with the analysis. We're, I think, close to passing the Oman agreement on the Hill. That will happen in the next month. Vietnam and Russia WTO accession agreements are coming along.

So I've said we can walk and chew gum at the same time. In fact we need to run and chew gum at the same time to keep up with the global trading system and the global economy which is increasingly integrated and rapidly changing. So I think we need to do both. I think we can.

**Question:** What about the idea of a one year reauthorization of the farm bill? Grassley mentioned that also. Is that something that would be helpful to these negotiations? What would be the impact of that on the Doha?

**Ambassador Portman:** That's a good question. I guess my answer would be that I hope it's not necessary. The farm bill doesn't actually end until the crop season '07. So, and this is coincidental, by the way. TPA is not coincidental. That's pushed this deadline. But the farm bill does happen to be ending right after you would complete Doha, so hopefully it won't be necessary. It just makes so much more sense for us to be able to have the farm bill policy informed by whatever the new international trading rules are.

**Question:** How much longer do you anticipate being in this job? I know the Senate has to confirm you and the Senate moves at its own pace. But --

**Ambassador Portman:** That's my answer. [Laughter].

**Question:** I guess what I'm asking is how anxious is the President to get you up and running at OMB? And is that determined at all by what's happening on the trade side within the WTO or is it just a question of as soon as possible you --

**Ambassador Portman:** You missed my extensive ad nauseam monologue on this issue.

**Question:** Sorry.

**Ambassador Portman:** I don't know. I'm about to go have some meetings with Senators. I've told these guys that I've had great calls with Democrats and Republicans so far. All have been positive. So I hope it will move quickly.

My paperwork will be up I'm hoping tomorrow, but I don't know for sure. It will be soon. So the paperwork won't be a problem. Normally it takes a long time to just go through the FBI clearance and all your paperwork, like a couple of months. Fortunately, I guess, in my case I've done all that. I'll have been here for a year and during that year's time very little has changed in my life. All I've done is work. So my paperwork will go up and I hope it will happen quickly, but you just don't know.

The President I'm sure would like to get me going over at OMB, but the fact is Susan's on board, she's up to speed, she's attending a lot of meetings with me already, she already knows the key players on the Hill, so we won't miss a beat here at USTR.

**Question:** Is there going to be a third deputy? Is that a slot that you sort of have to fill or is it something --

**Ambassador Portman:** It's up to Susan. Well, I'm not sure it is up to Susan. I think it's statutory. Susan and I have already talked about a number of candidates. Are you interested? [Laughter].

**Question:** Sure. I'm delighted I asked the question. [Laughter].

**Ambassador Portman:** A full field.

You should talk to Susan about it but I think her intent is to move as quickly as she can. I guess technically she'd need to wait until she's out of the job, but our deputies, I've got to tell you, Susan and Karan are just fantastic deputies. They are very devoted, hard working. I leave at nine or ten at night sometimes and they're still there. They send me an e-mail when I get home at midnight. They are really hard workers, really well respected, they're smart. I couldn't have chosen better deputies. And I looked at a lot of different people as you may recall. Not everybody said yes to me but I'm glad they didn't because I ended up with just two. So USTR's in good shape right now. The morale is good, the building is back. It was literally falling apart when I got there. Our budget was not in great shape. It's back. We've been able to hire new people at the career level who are really strong. It encourages me because one thing you worry about as that baby boomer generation begins to retire, who's going to replace them? We're getting good people despite the salary differential.

I'm really excited about the future for USTR. I think it's in great shape. It's one reason it's hard to leave. I think we're hitting it on all cylinders right now.

**Question:** Can I ask about [inaudible]?

**Ambassador Portman:** You can. Yes.

**Question:** Is there a specific offer from the US to Canada that involves paying back a lot of the duties. And do you think it's possible to get a resolution in the next couple of weeks as is being widely reported?

**Ambassador Portman:** Let me be boring here and tell you what I've told you every time which is, and I said this in my confirmation hearings. We think a negotiated settlement is the right solution. Why? Because litigation in this has been going on for about 20 years. It does not resolve the issues, it simply enriches the lawyers and keeps the trade irritant in place between our two countries.

We have no greater friend than Canada. We have no greater trading partner than Canada. We do more trade with Canada than any country in the world. Ninety-nine percent of that trade, 97 percent of that trade is dispute free. I think softwood lumber is three percent of our trade. This is an issue that is calling out for a reasonable settlement.

I don't know the answer to your first question about a specific offer. I don't think there's a specific offer there, but we are continuing to discuss possible solutions with Canada.

**Question:** Do you think [inaudible]?

**Ambassador Portman:** I don't know. I honestly don't know. I would of course hope so. We have recently had good discussions, but I don't know.

**Question:** Some of the provincial leaders are in Washington right now to try to hammer things out?

**Ambassador Portman:** I honestly don't know who they've brought in. I saw some reports in the Canadian press today that they were talking directly with some other industry. Not that it's not our business, we want them to come up with something that everybody can live with including the provinces, but --

**Question:** I thought they were meeting with you, the provincial officials.

**Ambassador Portman:** No.

**Question:** The talks you've been having with Members today, has it primarily been about confirmation or --

**Ambassador Portman:** It's interesting, I just met with Majority Leader Boehner and had a good conversation. It started on trade and ended up on more general budget issues, and I reminded him I'm not confirmed and therefore I cannot engage in any substantive discussion. But yeah, I think a lot of the Senators will have questions about what I intend to do and why I'm qualified.

**Question:** I'm just wondering how you'd describe --

**Ambassador Portman:** These are courtesy calls for the confirmation. But I would expect trade would come up as well.

In the Senate there's so much overlap. A number of members of the Finance Committee are also on Budget or Governmental Affairs.

**Question:** Those are the two hearings for you? You'll have to go through a confirmation hearing on Budget and a --

**Ambassador Portman:** They did not previously confirm, so that will be a little different for them. I was looking for the list of committees.

**Question:** Has this been coordinated so your nomination goes first and you go through the approval process so you're not temporarily out of a job or something?

**Ambassador Portman:** We're pushing on both ends, but it's a very interesting question. Susan could get confirmed and then I wouldn't be confirmed and -- [Laughter]. Susan can have my office -- [Laughter]. I don't know what's going to happen.

**Question:** Go to the Outer Banks for a week.

**Ambassador Portman:** That sounds really good. [Laughter]. Just not Geneva. I can't get much rest there.

**Question:** How many days will you be in Geneva?

**Ambassador Portman:** I don't know yet. It depends on meetings, how many people want to meet with us. We can be there as long as it takes.

**Question:** Did you say what day you were planning on leaving?

**Ambassador Portman:** I didn't. Early next week.

**Question:** Thank you very much.

**Ambassador Portman:** The thing that Nixon said in that Checkers speech, "You won't have me to kick around any more." [Laughter].

**Question:** That was after Checkers I think.

**Ambassador Portman:** One of the things about this job, and I'm going to continue to work with you over the next weeks or months, but it's been great working with you all. I know I'm not allowed to say that. But it's been fun, it's really been fun.

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