

Senator Maria Cantwell

Senate Finance Committee Hearing on the Nomination of Robert Lighthizer to be U.S. Trade Representative

March 14, 2017

Sen. Cantwell: Mr. Lighthizer, thank you for being here. Congratulations on your nomination. Since I know you're well familiar with this committee, I can throw a lot at you at once if I could. Thank you. One, I want to know whether you support the Export-Import Bank and the concept of a credit agency for the United States and whether the President should immediately appoint people to get it functioning at the level it should.

Number two, will you be aggressive in getting Europeans to stop massively subsidizing Airbus. You know that the WTO has found that the aerospace sector had \$17 billion dollars of illegal subsidies. That brings the total of illegal subsidies to Airbus to about \$22 billion. So I want to know if you're going to be aggressive on that. Our colleagues here in the Trade Facilitation and Trade Enforcement Act included an authorization of \$15 million in trade enforcement trust funds, and that was about making sure that we had ample support within USTR to actually fight for trade enforcement.

I believe in an economy outside the United States selling US products. In fact, I was very happy the last administration had a goal of doubling exports, but I know that we also need to have the personnel. So do you support the trade enforcement trust fund and what should its annual appropriations be so that we are adequately staffed?

And if I could, just one more theoretical question. I've met Mr. Navarro, I've hear Sec. Ross talk about trade, and then there's your position. Who's going to be in charge of trade?

Mr. Lighthizer: Thank you Senator. That about covers all my talking points.

Sen. Cantwell: I heard what Senator Dole said, 'very talented.' So I'm sure you're up to the task.

Mr. Lighthizer: Well, he's kind. I would say first of all, just to start from the bottom perhaps, in terms of the relationship between the White House, the Commerce Department, and the USTR I fully expect to have the statutory authority that Congress provides and I fully expect to work in a collaborative way with Secretary Ross, who I admire and think is very very talented in this area, and the White House. Now the White House is defined as Peter Navarro and there's Gary Cohen and others. In all my experience, with one administration after another, there are always kind of three sources of influence over trade policy and the job of the USTR is to sort it out.

Sen. Cantwell: So you're the lead in sorting that out, more or less.

Mr. Lighthizer: That's correct. Historically, that's why John Kennedy started the agency, along with the Senate Finance Committee and the Ways and Means committee in 1962. So I expect it to work that way it has, I expect it to be very cooperative and I look forward to working with all the apties on that and particularly with this committee and with the Ways and Means Committee.

In terms of the trust fund, I hope the \$15 million is appropriated and in terms of resources, I'm not now in the administration so I can say that yes we need more resources for sure. The agenda is substantial.

Sen. Cantwell: You know, some of my colleagues wanted it to be mandatory. I just want to put the money there. I want to have more people in trade enforcement than are sitting at this dais and right now we don't have a lot. And I'm glad to hear you're committing to 15. Thank you.

Mr. Lighthizer: Thank you, Senator. In terms of Airbus subsidies, yes I will be aggressive. I realize that's a problem, I've followed the issue for a long time. I've never really litigated or been involved with it but it's a serious problem and it's one that's been going on and on and on and it has a real impact on American manufacturing. In terms of the Ex-Im Bank, at this point I'm awaiting instructions. I appreciate the importance of the Ex-Im Bank to Boeing and to other companies and to US exports. Having said that, there's issues, there's strong views on both sides. I expect to do what the President instructs me to do when he instructs me to do it.

Sen. Cantwell: So you don't think as part of our trade agenda that we can be successful without an aggressive credit agency approach for the US?

Mr. Lighthizer: I think we need to do everything we can to encourage exports. Having said that, the Export-Import Bank is a sensitive issue. It's not an issue that I've worked in personally.

Sen. Cantwell: Can you define sensitive since I'm running out of time?

Mr. Lighthizer: I define sensitive as people are strongly for it and people are strongly against it. And normally in those cases when I'm not informed and realize that the administration will make a policy, I'm probably better off waiting for the administration to make that...

Sen. Cantwell: I would just say there's a very small group who's politically motivated and may be loud but when you allow the United States Senate to vote on it, both majorities in the House and Senate supported it and majorities of Republicans have supported it. So the notion that somehow it doesn't have major support, it's more that it's being held hostage by some political agenda. So I hope you'll be loud about this as a credit agency strategy because to me we could lose American manufacturing. If Boeing can put Rolls Royce engines in a plane and get credit financing in Europe, how is that helping GE? And so while other agencies on an international basis are going to be aggressive about this, we need to get the right strategy here and it can be a discussion in terms of not doing anything to distort the market but I think the Trump Administration's got to be realistic. You can't go stand in front of a Boeing plane in South Carolina and then not have a functioning Export-Import Bank. So I hope we can get there.