I am pleased to welcome our witness, Ambassador Lighthizer. Mr. Ambassador, thank you for joining us.

I’m eager to have you here because we face grave challenges. Americans are suffering.

The pandemic and long-festering injustices deny too many of our citizens the very promise our country is built upon: that every American has the right to life, liberty and the pursuit of happiness.

It’s not going to be easy to bring us back on course.

But I think good trade policy will be one important part of doing so.

So I’m glad we can have that discussion today.

Trade policy is immediately significant because we need to make sure we don’t have any unnecessary taxes on goods key to the recovery or in fighting the pandemic.

That’s why I’ve asked the International Trade Commission to conduct a study on precisely what those goods are, where they come from, and how much they’re taxed.

This study, which is ongoing, will provide an independent and transparent snapshot of the medical and PPE supply chain.

It’s important that we carefully study these supply chains before we rush to judgment and action.

We’ve to take a long, hard look at our ability to protect ourselves in a future crisis.

But we’ve to find a smart solution that accepts the reality that trade is fundamental to our survival and prosperity.
In the long-term, trade is a key part of the solution because it promotes freedom.

It provides customers for our best-in class agriculture products.

It eliminates arbitrary barriers that inhibit entrepreneurship and independence.

In particular, trade empowers small businesses that are the backbone of our communities.

In fact, 97 percent of U.S. exporters are small businesses.

A good start to empowering people and fixing our economy is making sure as many people as possible have the option of being their own boss.

We owe it to them and their communities to press for even more opportunities.

This is especially true because our trading partners already enjoy the fact that we have one of the most open economies in the world.

Ambassador Lighthizer, you have taken important steps in that direction.

I’m pleased this year started off with Congress approving the United States-Mexico-Canada Agreement. USMCA is expected to spur 176,000 new jobs, and create new opportunities with our two most important trading partners.

We are just a couple of weeks away from USMCA entering into force, and we owe it to our American farmers, workers, businesses and innovators to make sure this agreement delivers.

I look forward to implementing a new era in North American free trade, and focusing on the many other issues in the President’s Trade Agenda.

The issues are complex and challenging. But the Trump Administration is ambitious. If we get them right, the opportunities for Americans are immense. I want to highlight a few in particular.

First, we have the free trade negotiations with the United Kingdom.

Good trade relations with the United Kingdom are critical.

In 2017, we exported $125.9 billion of goods and services to the UK. UK companies in turn have invested over $540 billion in the United States.

Unfortunately, those numbers don’t reflect our full potential.
In large part, EU rules stood in the way. These rules unfairly restricted our agricultural goods without any scientific basis, and required duplicative and unnecessary testing for our industrial goods.

Now that the UK has been freed from them, we can bring our economic relationship to a level befitting our long-standing political special relationship.

An improved trading relationship with the UK will also signal to the EU that it’s past time for them to start regulating on the basis of sound science.

I’m also looking forward to trade negotiations advancing with Kenya.

We don’t have a single free trade agreement with a sub-Saharan country.

I applaud the Trump Administration for being the first Administration to take this on.

A high standard FTA with Kenya can be a model for both good economics and good governance throughout the region.

Third, I’m glad the Administration remains committed to WTO reform. The WTO’s rules including those on services, agriculture, procurement, and intellectual property, are vital for our workers and businesses.

They reflect decades of persistent American leadership. We can’t let China take the pen when it comes to writing these rules.

Instead, Congress and the Administration must work together to fix this vitally important institution. We will revitalize the WTO’s negotiating function so that the rules reflect the modern economy, including e-commerce.

Additionally, Congress will continue to insist that rules remain enforceable – and applied as written.

That’s why I’m glad the trade agenda highlighted the Administration’s WTO enforcement wins against the EU over its Airbus launch aid, against China over its policies on wheat, corn, and rice and India over its export subsidies.

There are a lot of problems with the WTO, but it has an important role to play – including through the use of binding dispute settlement.

The trick is to make sure those rules are followed rather than re-written by WTO judges. Mr. Ambassador, I think together we can accomplish this task.
Finally, I note that the Trade Agenda highlighted that the Administration took strong action against discriminatory digital services taxes.

With the recent announcement of more investigations, the Trump Administration is demonstrating that America will not stand for discriminatory treatment that treats American companies as piggy banks.

Our businesses are entitled to fair and equitable treatment, and we will defend our rights appropriately.

In closing, I want to emphasize this point: the President has laid down an ambitious agenda that can improve the lives of our fellow citizens. But it will require commitment and cooperation from all of us.

The constitution vests congress with authority over trade, not some generalized interest. We can’t simply be passengers along for the ride. We must fulfill our constitutional role so that our trading partners know that Ambassador Lighthizer has the full support and power of the United States behind him.