



# Committee On Finance

Max Baucus, Ranking Member

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**Opening Statement of U.S. Senator Max Baucus (D-Mont.)  
on the Nomination of Ambassador Susan Schwab  
to be United States Trade Representative  
Senate Finance Committee Hearing**

Ambassador Schwab, welcome back to the Finance Committee.

This is your third appearance here since October, when this Committee held its last confirmation hearing on you. And when the full Senate considers your nomination, it will also be the third time since October that Senators will vote on you. Indeed, we liked considering you so much the last time that we voted on you twice for your current position. I wonder whether the administration is trying to set a record for racking up the most confirmation votes in the shortest amount of time for a single nominee.

Ambassador Schwab, congratulations on your nomination. Although I am sorry to see Ambassador Portman leave his job as Trade Representative, I am pleased that the President had the wisdom to replace him with you. Many of us have known you for many years — since the early 1980s when you worked in the Senate for our Colleague Jack Danforth. I have long appreciated the skill, wisdom, and energy that you bring to the table.

You have already proved yourself an able trade negotiator by settling the longstanding dispute with Canada over lumber imports. If you can resolve that difficult issue, then I am confident that you have the mettle to tackle the many difficult issues on your plate. I look forward to your speedy confirmation as the 15th United States Trade Representative.

Transitions at Cabinet level agencies are often disruptive. And this transition certainly has not come at the best time, given ongoing trade negotiations in the World Trade Organization and elsewhere. But transitions give us a momentary pause to reflect. They give us an opportunity to think about where we are, and the direction we are heading.

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Frankly, I think we have reason to be seriously concerned. Just 13 months before the expiration of Trade Promotion Authority, the Doha Round is sputtering. Much of the administration's free trade agreement strategy continues to tear us apart instead of bring us together. And with our huge and growing trade deficit, more and more Americans have questions about whether America's trade policy has really served America's best interest.

The time has come to begin the conversation about how we can do a better job. You, Ambassador Schwab, will be a critical part of that conversation. This conversation may begin today. But this conversation must continue intensively through the coming months.

There are many difficult questions for which we need to find answers. Let me raise a few.

First, what is our plan should the Doha Round fail? Should the United States explore more seriously alternatives to the WTO, such as deepened cooperation in a re-energized Asia-Pacific Economic Cooperation? Should we begin to contemplate free trade agreements with economic giants like Japan, India, and the European Union?

Second, how do we get beyond disagreements about handling labor issues in trade agreements? These disagreements dominate partisan debate on most free trade agreements. With fresh reports of labor abuses in Jordan, how can we address meaningfully American workers' legitimate concerns about competing with countries that maintain substandard labor practices? And how can we do so in a manner acceptable to members of both parties?

Third, how can we tie trade policy more closely to the goal of enhancing America's long-term competitiveness? How can we use trade agreements to help shape domestic priorities in education, research, and innovation?

And fourth, isn't it finally time to recognize, as a matter of national policy, that popular support for trade depends on whether our government is willing to commit to help workers and industries that trade leaves behind? Shouldn't we be doing more through programs like Trade Adjustment Assistance?

These are not just idle questions. The future of U.S. trade policy depends on how we answer them.

Ambassador Schwab, the clock is ticking on the government's Trade Promotion Authority. And it is near time for the alarm to sound. Unless and until we do some hard thinking, I cannot imagine how the Congress will be in a position to agree to a new grant of Trade Promotion Authority.

Let's start this process now. I look forward to working with you, Chairman Grassley, and Members of this committee in finding the right answers.