

## **Ambassador Kirk Announces New Initiatives for Trade Enforcement**

**July 16, 2009**

**Mon Valley Works – Edgar Thomson Plant  
Pittsburgh, PA**

**\*AS PREPARED FOR DELIVERY\***

Good morning. I'm so pleased to be here today. I met with your CEO, John Surma, in Washington, DC last night, and I'm glad to see him here again today.

And I'm exceptionally pleased to get to meet all of you. I know this is one of the largest manufacturing plants in Pennsylvania - and one of the oldest. Steelworkers have been producing high-quality, American made products right here since 1875.

This plant had been open for 87 years when President John Kennedy stood on a wharf in New Orleans and gave a speech about trade. He told the crowd gathered there that America needed a new trade policy. His policy would support new opportunities for American businesses and, in turn, American workers. When that crowd heard the promise of new prosperity, they burst into cheers.

Less than one year later, President Kennedy had Congress's approval for the Trade Expansion Act of 1962. That led to the creation of the Office of the United States Trade Representative.

Kennedy sent the very first USTR, Christian Herter, to Geneva with one mission: to negotiate lower tariffs, so American businesses could compete overseas.

Forty-seven years later, America has another young president. And President Obama has made it clear: this administration shares Kennedy's goal, to create new jobs for American workers, and new markets for American businesses.

The global economy has gotten a lot more complicated over the last forty years. New trade agreements can still open markets to U.S. goods and services, and so they are an important part of our mission. But we have to do more than just pursue new trade deals. We must also insist on respect for our rights in the global trading system, if Americans are to reap the real benefits trade has to offer.

Right now, many Americans aren't sure those benefits exist.

A lot of what you hear about trade is negative. But the truth is, Americans benefit from trade every single day. The benefits are just so commonplace, we don't notice them.

We get produce at the grocery store year-round because we trade with countries that have different growing seasons. Many new items become more affordable in six months or a year, because the world's companies are competing for American customers.

Benefits like these are basic to our daily lives. But trade's rewards go far beyond what we can buy. The best benefits - better-paying jobs and economic growth - come when America sells to countries around the world.

Ninety-five percent of the world's consumers live outside the U.S. One of the easiest ways to grow American businesses and American jobs is to sell products to people outside our borders.

So we need access to foreign markets. And that is what good trade policy gets for America. Not just trade agreements with the WTO and with individual countries - but trade enforcement, too.

Realizing the potential benefits of trade pacts depends largely on whether we're willing and able to enforce those rules.

A trade agreement is a contract. Contracts tell us what's expected of us. Americans live up to contracts every day. When you buy a car, you get a car in exchange for making your monthly payment. That's keeping your end of the contract.

Our trading partners can sell their goods here. But in exchange, they must keep their end of our bargains.

I can tell you with no reservations: the Obama Administration is both willing and able to enforce our trade agreements. American workers deserve no less.

Today, on behalf of President Obama, I am here to affirm this administration's commitment to trade enforcement.

I am announcing several concrete new measures that will help to guarantee America's workers, businesses, and families a fair deal.

We will take new steps to protect the rights of American farmers and small business owners. We will hold our trading partners to their word on labor standards. And we will use work we're already doing to fight even harder for the men and women who fuel our economy and support their families.

That's the mission of USTR. We're here to help Americans grow their farms, build their businesses, and support their families through trade.

USTR will work with Congress and across the federal government to guarantee American families new opportunities. In particular, your representatives in Washington know how trade helps families in their states or districts, and how trade violations may hurt them. Theirs are critical voices in all our discussions at USTR.

We understand that Americans are worried: about their jobs, their businesses, their families. And they are worried that trade will take away new opportunities, not protect them or create new ones.

Americans have believed that our government hasn't done enough to protect our trade rights. And, while our trading partners largely respect our agreements, sometimes those rules are violated. That's why enforcement cannot be an afterthought. It needs to be a centerpiece of trade policy.

From day one, President Obama has focused on moving our nation toward economic recovery. Increased trade, coupled with strong enforcement, is an integral part of our plan.

In 2008, exports generated nearly two trillion dollars in income for American workers, farmers, ranchers, manufacturers, and producers... that's about one in every eight dollars Americans earned last year.

Exports of manufactured goods support six million American jobs. Millions more high-quality jobs depend in part, or entirely, upon trade in services and American intellectual property. And jobs supported by exports pay as much as 18 percent above the national average.

The Office of the United States Trade Representative is strengthening trade enforcement efforts because we will do everything we can to support those jobs and the workers who hold them.

President Obama and I believe that on a level playing field, Americans can compete in any sector - from manufacturing to services to agriculture. Just enforcing the rules on the books can win our workers and companies the benefits of trading as fully, fairly, and freely as our agreements allow.

Our new approach to enforcement is simple. We will deploy our resources more effectively to identify and solve problems at the source. But make no mistake: we will pursue legal remedies when other options are closed.

Last month, the United States filed suit at the World Trade Organization. We believe that China is unfairly restricting exports of raw materials like manganese and coke. In effect, this keeps the prices of these products lower for Chinese producers than the global market price.

This plant, and other steel, aluminum, and chemical plants across the country, need these materials to make products at a competitive price. We have begun consultations with China on this issue. We are prepared to take the case to the next step, if we do not reach an acceptable solution.

But we saw the problem, and we are responding for you. We're going to bat for American industrial workers and American steel, aluminum, and chemical producers. And we did not hesitate to do it.

Also this year, we addressed Canadian actions that undermined commitments they made in the Softwood Lumber Agreement. Most Americans don't know what that agreement does, and they don't care. But it's designed to help Americans whose livelihoods depend on a free and fair market for lumber products.

So when Canada violated its commitment, we acted and imposed tariffs on Canadian lumber shipments. We hope to work out our differences with the Canadians. But we will keep tariffs in place to give them an incentive to come back to the table.

Legal remedies are never our first choice. Not because they are not effective, but because right now, many American companies, and the people who work for them, can't afford to wait years for an international legal case. So we will emphasize vigorous oversight, frank dialogue, and negotiation as faster means of getting trade back on track.

In May, we reached an agreement with the European Commission. It was a major breakthrough in a 20-year dispute that locked many American cattle ranchers out of the European beef market.

That achievement is the result of a great deal of hard work alongside our partners at the Department of Agriculture, led by Secretary Tom Vilsack.

American ranchers, meat packers, and their employees will now be able to sell high-quality American beef at zero duty within the European Union. Those exports are expected to put \$100 million in the pockets of American farmers and ranchers over the next three years.

As they do, we should see new jobs created among the more than one million ranches, farms, and businesses in America's beef industry.

Each one of those steps benefitted American workers and American businesses. But they were only a start.

President Obama has committed to a new approach to trade - one that rejects protectionism and creates opportunities at home and abroad. He recognizes that trade is essential to America's prosperity and has the potential to lift up workers in America and around the world. The President will share more about our approach, but we already know that for trade to reach its full potential, we need to do a better job of enforcing our trade agreements.

So, in this administration, we will break down trade barriers that confront American workers and businesses.

First, we will build on what works. One of the best ways we guarantee America's trade rights is by consistently monitoring our partners' trade practices. If they know we are holding a magnifying glass up to their actions, they'll be less likely to break the rules. So, we will use that magnifying glass on behalf of more American businesses.

Some of our best results have come from two targeted enforcement tools: one to stop violations in telecommunications trade, and one called Special 301, that does the same for American intellectual property rights.

That last one is a technical name for something fairly basic: one of our biggest, strongest enforcement tools.

We use it to scour the globe for copycats and counterfeiters, people who steal America's greatest strength: the intellectual property that flows from the ideas of the American people. Imitation may be the sincerest form of flattery. But piracy isn't flattery - it's theft.

That theft lets foreign companies market counterfeit and potentially unsafe goods. And that costs U.S. software companies, music producers, and other creative and innovative enterprises billions of dollars.

So, we call out countries that provide safe havens for the theft of American intellectual property. And as a result, those countries can then miss out on new trade privileges or programs.

We're going to apply the lessons of those successful programs to address other, equally important trade barriers. Two new, innovative tools will provide strong support for U.S. farmers, ranchers, and industry.

The first new tool will confront barriers that other countries raise to prevent our farmers and ranchers from marketing their products abroad. We must more strongly address sanitary and phytosanitary barriers, like the restrictive regulations some countries slapped on American pork because of the H1N1 flu scare. And we must address them across the board, as well as on a case by case basis. This will ensure our agricultural producers see their rights restored abroad, and their businesses saved here at home.

The second new tool will take on one of the biggest obstacles our manufacturers face: technical barriers to trade, such as technical regulations and standards that restrict U.S. exports of safe, high quality products. Now, we will seek out these barriers and tackle them head-on.

Next, we will leverage these new efforts and existing USTR work to better enforce America's rights around the world. The trade reports that go to Congress will be more than paperwork. We will use them in new ways to spur real actions with real impact for American workers and businesses.

Here's a concrete example. Secretary Gary Locke and I have agreed: When a USTR report identifies trade barriers threatening American jobs, our agencies will spring into action together.

USTR staff and Foreign Commercial Service officers in more than 75 major countries will team up.

They will talk to the right people and put pressure in the right places to break those barriers down.

And we will take similar action with colleagues from the Departments of State, Agriculture, and Treasury.

At the same time, these officers serving abroad will constantly feed real-time, on-the-ground information back to USTR. They will give us early warning about potential trade

barriers we can nip in the bud rather than just report. This new approach can actually save American jobs that might otherwise be lost.

We will also continue to use trade remedies, like anti-dumping and anti-subsidy laws that the U.S. has on the books, and that are vitally important tools. We use them to correct distortions of trade - situations where the playing field is artificially tilted against us - and to ensure that the field stays level everywhere else.

Finally, we will hold our trading partners to their commitments on workers' rights.

Since 2001, the United States has entered into free trade agreements with 14 countries.

Every one of those agreements contains an obligation to enforce domestic labor laws, and to strive for labor standards that adhere to international norms. Now, we will insist that our trading partners hold up their end of the bargain. American workers should not be expected to compete against substandard labor practices.

To date, we have enforced our trading partners' labor obligations only on a complaint-driven basis. Well, no longer.

In close partnership with Labor Secretary Hilda Solis, Secretary of State Hillary Clinton, and their staffs, we will immediately identify and investigate labor violations...before they can disadvantage American workers.

Together, we will engage governments of countries that violate the rules, to restore workers' rights quickly. If those governments can't seem to fix their labor problems, we will help them find a way. And if they won't fix their labor problems, we will exercise our legal options.

These are the steps that USTR must take, and will take, to save American jobs and make trade work better for America's families.

The high-quality jobs that U.S. exporters can create here at home are our number one priority. Those jobs are the reason that USTR is on the case.

We can and we will recover from this recession. But we cannot take a single American job for granted. At USTR, that is our bottom line.

President Obama has united the full resources of our government on the road to recovery. We are walking a long road, but we are on the right path.

And the Office of the United States Trade Representative is doing our part to hasten that journey.