



FOR IMMEDIATE RELEASE
June 6, 2013

CONTACT: [Julia Lawless](#), [Antonia Ferrier](#)
(202) 224-4515

**HATCH STATEMENT AT SENATE FINANCE COMMITTEE CONFIRMATION
HEARING CONSIDERING MICHAEL FROMAN FOR U.S. TRADE REPRESENTATIVE**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today issued the following statement during a Senate Finance Committee hearing considering the nomination of Michael Froman to serve as U.S. Trade Representative:

I look forward to hearing Mr. Froman’s testimony and finding out more about his qualifications for this very important position.

However, before talking about trade policy, I want to take a few minutes to talk about the wide disparity between the Obama Administration’s rhetoric and the actions taken by administration officials.

This has particular relevance to Mr. Froman’s nomination.

A few months ago, when the Finance Committee was considering the nomination of Jack Lew to be the Secretary of the Treasury, we learned that he had invested in a Cayman Islands hedge fund located in the now infamous Uglund House that so many Democrats have decried as a tax haven.

At the time, we reminded people that, in 2008, while campaigning for President, then-Senator Obama said that the Uglund House was “either the biggest building in the world or the biggest tax scam in the world.”

And, throughout the 2012 campaign, President Obama repeatedly attacked Mitt Romney for having funds invested in the Caymans. In making such investments, Governor Romney was, in the words of the Obama Campaign, betting against America.

Yet, the President had no problem nominating someone who made similar investments to be Treasury Secretary.

As a result of our vetting process, we have now learned that Mr. Froman has actively invested roughly half a million dollars in the exact same hedge fund located at the Uglund

House.

Mr. Froman is, in fact, the third cabinet-level nominee this year to have made use of offshore investments and structures, despite the President's unequivocal condemnation of these types of activities during the campaign. Moreover, the Cayman Island investment is in a fund that, in turn, has invested in companies that outsource jobs, or, using the President's rhetoric, ship jobs to low-wage countries like India.

On top of that, we all remember in early 2009 when President Obama remarked about Wall Street, saying that institutions were "teetering on collapse and they are asking for taxpayers to help sustain them..."

The President also railed against Wall Street bonuses at the time, saying: "That is the height of irresponsibility. It is shameful." Elsewhere, he referred to Wall Street bonuses as "obscene."

Like Secretary Lew, Mr. Froman was employed at Citigroup during much of the financial crisis.

In late 2008 and early 2009, American taxpayers provided over \$45 billion in direct assistance to Citigroup and backed hundreds of billions of Citigroup assets. During those same two years, Mr. Froman received more than \$5 million in bonuses, much of which was paid for work performed when Citi was on the verge of collapse.

Once again, we see a contradiction between the President's rhetoric with regard to Wall Street and his decision to nominate Mr. Froman to be the U.S. Trade Representative.

Now, I don't raise these issues to suggest that Mr. Froman has done something wrong or that he has not complied with our tax laws. Instead, I simply want to point out what appears to be hypocrisy on the part of President Obama and his administration.

The President's rhetoric seemed to suggest that offshore investments, investments in outsourcing, and Wall Street bonuses are not simply bad policy, but morally wrong. Yet, the same vitriol used to attack the President's political opponents does not seem to apply to his nominees for cabinet positions.

As I said during the debate over Secretary Lew's nomination, the American people are essentially being told that they should do as the Obama Administration says, not as they do. That doesn't inspire a lot of confidence, to say the least.

That said, I do not believe we should let the administration's contradictory statements distract us from trying to help grow our economy through trade.

Indeed, the U.S. Trade Representative is a vital position. And, despite any disagreements I might have with the Obama Administration's rhetoric, I believe this nomination should be

considered on its own merits.

Trade is an engine of economic growth.

Since the end of World War II, international trade has helped pull millions of people out of poverty while creating enormous opportunities for growth here in the United States.

Today, the United States is the world's largest trading nation, with exports of goods and services exceeding \$2 trillion a year.

The story is no different in my home state of Utah, where international trade and growing exports help us maintain one of the lowest unemployment rates in the nation.

As we move into the 21st century, the U.S. economy will need to continue to grow and create new jobs through trade in order to maintain its position as the most dynamic and competitive economy in the world.

Unfortunately, it appears as though U.S. trade policy has been adrift for much of President Obama's first term.

The long delay in submitting the trade agreements with Colombia, Panama and Korea kept U.S. exporters on the sidelines for far too long. And, while new and potentially meaningful negotiations have been launched by this administration, not one of them seems close to successful conclusion.

This is due both to a lack of real leadership and the fact that our trade negotiators don't have the tools needed to do their job.

One problem is a simple lack of resources caused, in part, by USTR's decision to create the Interagency Trade Enforcement Center, or ITEC, without strong congressional consultation or authorization. By doing so, USTR committed a large portion of its funds to infrastructure development, with no corresponding budget increase. Coupled with recent across-the-board budget cuts throughout the federal government, this act placed USTR and its employees under severe budget constraints. Congress is working hard to help rectify that situation, urging the White House to use its authority to spread the ITEC burden among other involved agencies, but to date no action has been taken.

Furthermore, Trade Promotion Authority expired in 2007.

As a result, our trade negotiators lack the authority necessary to negotiate and conclude new trade agreements. Unfortunately, there has been no real effort by President Obama to secure TPA renewal.

Members of Congress have fought to fix this problem. We pushed for a vote on TPA renewal on the Senate floor twenty-one months ago. Unfortunately, that effort failed, largely

due to lack of support from our Senate Democratic colleagues.

To me, this shows that Presidential engagement on TPA renewal is vital. Without the President's active leadership and public support for TPA, it is hard to see how our current efforts to renew TPA can succeed.

And we must succeed.

Today, ninety-five percent of the world's customers live outside the United States. They account for 92 percent of global economic growth and 80 percent of the world's purchasing power. But the United States is falling behind as we fight for access to these markets.

Since taking office in 2009, President Obama has only sent Bush-era free trade agreements with South Korea, Colombia and Panama to Congress in 2011, and is currently negotiating two others. We simply cannot afford to sit by while other countries write the rules of trade to the detriment of our workers and our economy.

Fortunately, the U.S. has a number of promising initiatives underway, including the Trans-Pacific Partnership and negotiations with the European Union.

These agreements must be comprehensive, incorporate the highest standards of intellectual property rights protection, and provide meaningful market access for U.S. exporters. We need to do all we can to promote and protect our innovative industries, including by pursuing twelve years of data exclusivity for biologics in agreements such as the Transpacific Partnership.

In pursuing these initiatives, I hope the Administration does not lose sight of the importance of our efforts under the auspices of the World Trade Organization, including expansion of the Information Technology and Government Procurement agreements and conclusion of a robust agreement on Trade in International Services and Trade Facilitation. Each of these represents an important opportunity to further advance trade and grow our economy.

During our March hearing on the President's trade agenda, I called on the President to nominate someone to serve as the United States Trade Representative who has the trade expertise, political savvy, and leadership skills necessary to effectively lead the agency. Our nominee today certainly appears to meet that test, having served most recently as Assistant to the President and Deputy National Security Advisor for International Economic Affairs at the White House and in multiple senior economic roles under prior administrations.

Mr. Chairman, thank you for holding this hearing today. I look forward to hearing from Mr. Froman on how he will, if confirmed by the Senate, carry out the duties of the U.S. Trade Representative.

###