

Statement of Karan K. Bhatia
Nominee for Deputy United States Trade Representative
Before the Senate Finance Committee
October 18, 2005

Chairman Grassley, Senator Baucus, distinguished members of the Committee, it is my great pleasure to appear before you today. I am deeply honored by the confidence shown in me by the President and Ambassador Portman and, if confirmed, I very much look forward to working with you to develop and implement U.S. trade policy.

I will keep my statement brief. If I may, Mr. Chairman, I would like to recognize and extend my thanks to my family here today – my wife Sara, my sons Alexander and Teddy, my parents Samir and Janice Bhatia, and my parents-in-law Marsha and Les Levine.

I should also like to extend my appreciation to the members of the Committee and their staff with whom I have had the opportunity to meet over the past several weeks. Those meetings have given me a chance to learn about your concerns and to begin a dialogue about U.S. trade policy that I hope to continue. Over the past four years – in my positions at the Departments of Commerce and Transportation – I have had the pleasure of working closely with relevant committees in both houses of Congress. If confirmed, I look forward to building the same kind of relationships in this job.

Let me also stress my personal commitment to Ambassador Portman's goal of working with both the majority and minority to rebuild a bipartisan consensus on international trade. The evidence, I believe, demonstrates that this country's commitment to open markets, free trade and sustained international engagement in the post-war era has produced a tremendous record of economic growth, cultural dynamism, and international leadership. The record also shows that acts of protectionism and isolationism in our history have ill-served U.S. national interests and harmed our workers and farmers, companies, consumers, and communities across the nation.

At the same time, I recognize that public support for free trade – fragile even in the best of times – is being tested. News of record trade deficits, challenges in our multilateral trade negotiations, and evidence that some trading partners are not playing by the rules concern many Americans. And those concerns, of course, arise against the backdrop of a rapidly changing, globalizing international economy, with its inherent uncertainties, complexities, and dislocations. And yet, it is precisely these rapid changes that demand that the United States actively engage in the shaping and integration of the international economic system. If confirmed, Mr. Chairman, I believe that one of my most pressing challenges will be to help reestablish a consensus – through words, action and results – that international trade is in the best interests of the American people, now more than ever before.

In part, that challenge must be met through continued efforts to open markets abroad for our highly competitive companies, products, workers, and farmers. In the geographic areas that would constitute my area of responsibility – Asia and Africa – I believe that there are significant opportunities for continued market-opening, and I pledge to work hard to pursue those opportunities.

Rebuilding a national consensus on trade also requires vigorous enforcement of our existing agreements. Free trade does not mean giving away the store or turning a blind eye to the failures of our trading partners to honor their commitments. If confirmed, I will join Ambassador Portman in insisting that our partners live up to their responsibilities, and that American companies and their workers receive a fair shake as they strive to take advantage of opportunities in international markets. Far from being a threat to free trade, a transparent and equitable system of rules that binds trading partners – and a serious enforcement regime to back it up – is actually indispensable to the cause of free trade.

Let me conclude, Mr. Chairman, by noting that, for me, the cause of promoting a free, fair, vibrant and open international economic system is a deeply-held personal commitment – one shaped by my experiences growing up in Asia and Africa, and one to which I have devoted my academic and professional careers. It was the focus of my undergraduate and graduate studies. My law practice was dedicated to helping companies work their way through the tangled webs of regulations here and abroad that can so easily derail international trade and investment. At the Commerce Department's Bureau of Industry and Security, I worked hard to promote a safer and more secure international trading system in our post-9/11 environment. And, over the past two years as Assistant Secretary of Transportation for Aviation and International Affairs, I have been privileged to assist Secretary Mineta in negotiating a series of liberalized air services agreements with nations such as China, India, Indonesia, Thailand, Vietnam, and Ethiopia. These agreements have helped to open some of our largest air services markets, freeing our airlines to fly where, when, and how they want, and, in so doing, broadening the pipelines through which much of our international trade and commerce flows.

Working closely with this committee and with all affected stakeholders, I look forward to continuing the quest to ensure that international trade and commerce can continue to connect economies and people. I thank you for the opportunity to make this statement, and I look forward to your questions.