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Hatch Statement at Finance Committee Hearing on Trade and Social Security Advisory Board Nominations

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing on trade and Social Security Advisory Board nominations:

Mr. Chairman, thank you for holding today's hearing. I also want to thank our nominees for joining us.

To begin, I'd like to talk about our trade nominees. I believe both of these nominees are extremely qualified and well-suited to the tasks ahead of them.

Mr. Selig, let me start with you.

As you know, I, along with former Chairman Baucus and Chairman Camp, introduced the Bipartisan Congressional Trade Priorities Act of 2014 in January. Commerce Secretary Pritzker commended the introduction of the bill and said that it would "help in ... efforts to expand market access for American businesses, ensure a level playing field for companies selling their goods abroad, and support the creation of more American jobs."

Unfortunately, the rest of the Administration has not been so vocal.

As you know, Trade Promotion Authority – which our bill would renew – is how Congress establishes the objectives for U.S. trade negotiations, sets consultation requirements for the administration, and assures our trading partners that a completed deal will have a path for consideration by Congress.

And frankly, Mr. Selig, without TPA, the President's trade agenda – which is extremely ambitious – will fail. I hope you share this sense of urgency and that, if confirmed, you will be a strong advocate for renewing TPA in short order.

Now, Mr. Chairman, if I might, I'd like to make one observation about Mr. Selig's nomination that should not go unnoticed.

As I understand Mr. Selig's background, he worked as a top executive at Bank of America during the most recent financial crisis. At times, he received bonuses for the work he performed there.

And, as we all know, many who worked on Wall Street in a similar capacity have been castigated by President Obama and by Democrats in Congress, often labeled as "fat cats" and the like.

On top of that, Mr. Selig has significant investments in overseas accounts.

We have learned that Mr. Selig was an investor in a partnership called "Sun Capital Partners V" which in 2010 was domiciled in the Walker House, of 87 Mary Street, George Town, Grand Cayman, Cayman Islands. In 2012 this partnership was domiciled at the now infamous Uglund House. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$721,802.

Mr. Selig was also invested in a partnership called Conversus Capital, of Trafalgar Court, {Le Bank} St. Peter Port, Guernsey Channel Islands. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$1,123,523.

This is not the first of President Obama's nominees to come before this committee to have these types of earnings and investments, all of whom were gladly and unanimously supported by my friends on the other side of the aisle.

Now, let me be clear: I don't believe Mr. Selig has done anything wrong. I don't condemn those who make their living on Wall Street and, as long as they've paid all their taxes, I don't have a problem with anyone who makes a foreign investment.

However, the obvious hypocrisy of the President and some his supporters in Congress should not go unnoticed. Indeed, we all remember during the 2012 campaign when President Obama characterized these types of investments as "betting against America."

I suspect that the vast majority of Democrats in the Senate will vote to confirm Mr. Selig – as they should. Yet, I doubt that the class warfare rhetoric against Wall Street, against success in the private sector, and against overseas investments will slow down at all.

Like I said, this is not a knock against Mr. Selig or anyone else for that matter. I simply believe that the inconsistency and often unfair attacks levied against people who have done similar work in the private sector shouldn't go unnoticed.

That said, let's move on to talk about Ms. Vetter's nomination.

Ms. Vetter, as you well know from your current position as Deputy Under Secretary at the Department of Agriculture, the tasks ahead of the Chief Agricultural Negotiator are daunting.

The success of the Trans-Pacific Partnership hinges on achieving a full and comprehensive agreement on agricultural products with Japan.

This is what has me concerned.

Japan has reportedly sought to exclude more than 500 agricultural product tariff lines from eventual tariff elimination.

This would be unprecedented.

The United States is party to 17 free trade agreements and only 33 tariff lines have ever been excluded from tariff reduction. That's 33 lines total across all 17 free trade agreements. Japan is seeking more than 500 in a single agreement.

Other nations are undoubtedly watching how the U.S. will address this issue.

If Japan is allowed to exclude products from liberalization, other TPP countries will soon follow, resulting in an even weaker agreement.

The Member States of the European Union are also watching.

If the Administration makes concessions to Japan, every other nation we negotiate with well into the future will demand similar treatment.

While, if confirmed, I hope you will be able to achieve a breakthrough with Japan soon, it is far more important to get this deal right than to get it done now. I expect that you will continue negotiating until you've reached an agreement on full and comprehensive liberalization with Japan.

These are just some of the issues you'll have to deal with as our Chief Agricultural Negotiator. I look forward to hearing your views on these matters during today's hearing.

Finally, Mr. Chairman, three of the nominees before us are for positions on the Social Security Advisory Board.

These are important positions, particularly given the challenges facing the Social Security system.

Of course, Dr. Aaron has already appeared before us having been previously nominated to serve as Chairman of the Advisory Board. My previous comments on his nomination still hold

and, out of a desire to ensure that partisanship be kept at a minimum on the Board, I do not intend to support Dr. Aaron's renomination.

Mr. Chairman, I ask permission that my prior remarks about Dr. Aaron's nomination be entered into the record.

Our other two nominees to the Social Security Advisory Board – Dr. Chen and Dr. Cohen – like our two trade nominees, appear to be well-qualified and well-suited to serve in this important capacity. I look forward to hearing from them today.

As you can see, Mr. Chairman, we have a lot on our plate today.

Thank you, once again.

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