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March 20, 2012

Statement of the Honorable Michael R. Turner
House Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies
Budget Hearing – Department of Commerce

Chairman Wolf, Ranking Member Fattah and members of the subcommittee, thank you for the opportunity to submit questions for the record to Department of Commerce Secretary John Bryson on trade enforcement funding for Fiscal Year 2013.

Unfair trade practices have taken a devastating toll on my Southwest Ohio community. For example, in 2010 I testified before the International Trade Commission in support of a petition by paper manufacturers NewPage, SMART Papers and Appleton Papers, for the federal government to levy countervailing duties on subsidized imports of coated fresh-sheet paper from China and Indonesia. In 2008, NewPage was forced to close its sheeting facility for coated paper due to these unfair trade practices, resulting in a loss of 175 Ohio jobs. The Department of Commerce agreed and imposed countervailing duties on the unfairly subsidized paper imports.

Unfortunately, many companies in my community continue to face challenges against illegal trade subsidies. Just recently, Appleton Papers announced it would cut 330 jobs from the West Carrolton plant in our area as it struggles against unfair competition. In addition, there are currently four companies in Montgomery County, Ohio which receive assistance through the Trade Adjustment Assistance for Firms program. That is why I helped lead the effort, with 81 of our colleagues, to request that the committee maintain level funding of \$15.8 million for this important initiative.

At the same time, with 95 percent of consumers overseas, it is essential that U.S. companies have the opportunity to export their products. U.S. exporters face many non-tariff barriers that violate existing trade agreements, hampering the ability of U.S. companies to access foreign markets and create jobs. My bill, H.R. 3112, the Trade Law Enforcement Act, provides an affordable way for U.S. companies to have their market access complaints investigated and resolved in a manner consistent with U.S. international obligations. I thank Chairman Wolf for working with me on this important bill.

As you know, last month the President signed an Executive Order establishing the Interagency Trade Enforcement Center (ITEC) to coordinate government-wide trade enforcement activities. It is my understanding that the International Trade Administration budget estimate for Fiscal Year 2013 proposes 22 new full-time equivalent personnel and \$24 million to support ITEC.

While I applaud the Administration for placing a renewed emphasis on cracking down on unfair trade practices, I am concerned that ITEC is duplicative of existing interagency trade activities.

Under current law (19 USC 1872 and 15 CFR 2001-2016), the Department of Commerce already participates in an interagency trade structure lead by the U.S. Trade Representative (USTR): the Trade Policy Review Group and the Trade Policy Staff Committee. This interagency structure involves 20 federal agencies and 80 subcommittees. In particular within this structure, the Section 301 Committee works with various federal agencies to review trade violation complaints and make recommendations to USTR on whether to initiate investigations.

We must crack down on unfair trade practices. However, I believe we should examine and improve our existing mechanisms before seeking to create more government bureaucracy. We need meaningful enforcement of our trade laws. The American people, especially U.S. workers negatively impacted by unfair trade practices, deserve to know just how the ITEC will improve trade enforcement activities. As such, I have included questions for the record for Secretary Bryson.

Mr. Chairman, thank you again for the opportunity to submit these questions for the record. I look forward to working with you to stop unfair trade practices.

March 20, 2012

Questions for the Record from the Honorable Michael R. Turner

House Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies

Budget Hearing – Department of Commerce

The Honorable John E. Bryson, Secretary of Commerce

- 1) **Please explain the number of personnel and amount of resources used by the Department of Commerce to participate in the existing interagency trade structure, and in particular, the Section 301 Committee?**
- 2) **Given the Department of Commerce's current work with the Trade Policy Review Group and the Trade Policy Staff Committee, how will its role with the new ITEC be different from its work with the existing interagency trade structure?**
- 3) **Do you anticipate that the Department of Commerce will work with both ITEC and the Section 301 Committee, or will these structures be merged?**