

Testimony of Senator Thune at Finance Subcommittee Hearing

WASHINGTON, D.C.—U.S. Senator John Thune (R-S.D.), ranking member of the Senate Finance Committee’s Subcommittee on International Trade, Customs and Global Competitiveness, today released the following remarks as prepared for a hearing focused on trade laws:

“I want to start by thanking Subcommittee Chairman Wyden for holding this hearing and all of the witnesses for taking time to testify today. It is unfortunate that trade can sometimes become a divisive issue. We have certainly seen that in the past. However, I believe we should all be able to agree on the principle that U.S. trade laws should be enforced as effectively as possible, regardless of how we view broader trade issues. Today’s hearing is an opportunity to examine enforcement of our antidumping and countervailing duty laws, an area where many U.S. producers, shippers and importers believe that the law is not being enforced as well as it should be.

“In my state of South Dakota, for example, we have seen first-hand the impact of our inability to fully enforce the existing antidumping duty on Chinese honey. While imports of dumped Chinese honey initially declined after the antidumping order was put in place, unscrupulous Chinese producers have since found ways around the antidumping duties. These producers have increasingly transshipped their honey through third countries, such as Malaysia and Indonesia. We have also seen Chinese honey mislabeled as honey blends so as to avoid the antidumping duties.

“Unfortunately for U.S. producers, honey is only one example of the problem. Chairman Wyden and a number of other Senators are particularly concerned about steel products evading antidumping duties. In my state of South Dakota, furniture producers have been harmed by circumvention of existing antidumping duties on Chinese bedroom furniture. I believe we must do more to enforce the laws on the books so as to stop the flow of dumped products and I look forward to the opportunity to discuss these issues today in greater detail.

“At the same time we strive to make enforcement of our trade laws more robust, however, I believe we must be mindful of the burdens that are often placed on the vast majority of U.S. importers who are not engaged in any fraudulent activity and the importance of expediting the movement of the legitimate trade that is critical to our economy. We need to remember that we live in an increasingly global economy and that any new burdens on the flow of goods across our borders, even if well-intentioned, can harm our economy and drive commerce and trade to other nations.

“America’s retailers, in particular, are large importers and have much at stake in this debate. They have voiced concerns in the past about certain proposed changes to our antidumping and countervailing duty laws and have suggested new approaches, such as moving from the current retrospective system to a prospective system more in line with our trading partners. I am pleased that we will hear the perspective of America’s retailers today as well.

“Enforcement of our trade remedy laws is important for another reason—to generate and maintain public support for international trade. While I believe the factual case behind our three pending trade agreements is very compelling—and I was pleased to see the Administration yesterday finally commit to moving forward on all three agreements—it is not enough to quote dry numbers and statistics if we want to rebuild public support for trade. We must also convince Americans that the global trading system is fundamentally fair. We need Americans to know that while our businesses play by the rules, they should expect foreign businesses to do the same. When foreign producers evade our laws and harm U.S. producers, confidence in global trade is undermined here at home.

“As Congress considers the Colombia, Panama and South Korea Free Trade Agreements in the coming weeks and months, broad-based public support for trade will be even more important. I hope that the discussion today will inform our debate and generate new ideas and approaches to ensure that America’s trade laws are enforced in a manner that is fair to producers and importers, encourages the movement of legitimate trade, and broadens support for the upcoming trade agreements.”