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NOMINATIONS OF MARISA LAGO AND W. THOMAS REEDER, JR.

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF

HON. MARISA LAGO, TO BE DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE; AND W. THOMAS REEDER, JR., TO BE DIRECTOR, PENSION BENEFIT GUARANTY CORPORATION

JULY 23, 2015

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NOMINATIONS OF HON. MARISA LAGO, TO BE DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE; AND W. THOMAS REEDER, JR., TO BE DIRECTOR, PENSION BENEFIT GUARANTY CORPORATION

THURSDAY, JULY 23, 2015

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:04 a.m., in room SD–215, Dirksen Senate Office Building, Hon. Orrin G. Hatch (chairman of the committee) presiding.

Present: Senators Grassley, Crapo, Thune, Toomey, Wyden, Cantwell, and Bennet.

Also present: Republican Staff: Chris Campbell, Staff Director; Mark Prater, Deputy Staff Director and Chief Tax Counsel; Everett Eissenstat, Chief International Trade Counsel; Preston Rutledge, Tax Counsel; Rebecca Eubank, International Trade Analyst; and Nicholas Wyatt, Tax and Nominations Professional Staff Member. Democratic Staff: Joshua Sheinkman, Staff Director; Jocelyn Moore, Deputy Staff Director; Michael Evans, General Counsel; Elizabeth Jurinka, Chief Health Policy Advisor; Kara Getz, Senior Tax Counsel; Jayme White, Chief Advisor for International Competitiveness and Innovation; Anderson Heiman, International Competitiveness and Innovation Advisor; Tiffany Smith, Senior Tax Counsel; Elissa Alben, International Trade Counsel; Ryan Carey, Press Secretary and Speechwriter; Ernie Jolly, Fellow; and Rob Jones, Detailee.

OPENING STATEMENT OF HON. ORRIN G. HATCH, A U.S. SENATOR FROM UTAH, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. The committee will come to order.

Good morning, and welcome to everybody to today's hearing to consider pending nominations. Today we have before the committee two nominees: Marisa Lago, who has been nominated to serve as Deputy U.S. Trade Representative, and Thomas Reeder, who has been nominated to be the Director of the Pension Benefit Guaranty Corporation, or PBGC.

I want to welcome both of these nominees to the committee and commend them for their willingness to serve. Ms. Lago, if con-

firmed, you will be working during one of the most active periods for U.S. trade policy in recent history.

After meeting with you, I believe you are a fine nominee, and I feel confident that you are qualified to complete all the tasks that lie ahead. I understand from the USTR that you will not be responsible for any of the ongoing trade negotiations, and I find it strange that the administration does not empower its Deputy U.S. Trade Representatives, positions that have been created by statute and are confirmed by the Senate, to manage trade negotiations. However, that is a decision that the President has apparently made, and I do not believe it should impact your nomination.

However, as we conduct this nomination hearing, negotiations to conclude the Trans-Pacific Partnership are under way. I want to take a few minutes to outline my expectations for a strong TPP. I want a strong TPP agreement, and I would list five key components that I believe are necessary to win sufficient support for the agreement in the Senate.

First, strong intellectual property rights protections are a critically important objective. Intellectual property is the backbone of our modern economy, impacting large and small businesses across America. In my home State of Utah, for example, half a million jobs and 67 percent of our exports are directly connected to intellectual property. That is why the TPA law recently passed by Congress and signed by President Obama requires that trade agreements meet the high standards for IP protections found in U.S. law. I fully expect the TPP to reflect these standards, including 12 years of regulatory data protection for biologics, strong copyright and trademark protections, prevention of trade secrets theft, and transparency and procedural fairness for reimbursement decisions relating to medical devices and pharmaceuticals.

Second, we need to ensure that U.S. investors receive the same basic protections that we give to investors, foreign and domestic, here at home. This includes maintaining strong investor-state dispute settlement provisions that do not exempt products or industries from coverage.

Third, TPP must provide real and comprehensive market access opportunities for U.S. exporters. That means a significant reduction and ultimately elimination of tariffs on U.S. exports of goods, services, and of course, agricultural products. Several parties to TPP are resisting our efforts to open agricultural markets. Let me be clear. If our TPP partners like Japan and Canada are not willing to open their markets to our exports, the final agreement will never receive sufficient support in Congress.

Fourth, TPP must also reflect the priorities set forth in our TPA law regarding digital trade. This includes ensuring foreign governments do not impede cross-border data flows and eliminating forced localization requirements. These commitments should apply broadly to all sectors, including financial services and public telecommunications.

Finally, an increasingly difficult problem our exporters face is unfair competition from state-owned enterprises. I want American businesses to be able to compete anywhere in the world, and it is essential for TPP to ensure that state-owned enterprises, including those owned by sovereign wealth funds, act on a commercial basis.

I expect that the administration will reach a TPP agreement that meets these and other high standards outlined in our TPA law. Of course, if it falls short, Congress retains the right to reject the agreement or remove the expedited procedures, a right it will readily embrace if necessary.

So as you can see, Ms. Lago, there are a lot of issues on USTR's plate. I trust you will do your best to see that the objectives I outlined here are met, and I do believe our Trade Representative is working hard to do that as well.

Now I would like to take a few minutes to talk about Thomas Reeder. For those who do not know, Mr. Reeder is a veteran of this committee. He worked for Chairman Baucus. We want to welcome you back to the committee.

Mr. Reeder, if confirmed, you will serve during one of the most challenging periods the PBGC has ever faced. As you know, this agency was established by the Employee Retirement Income Security Act in 1974 to insure the pensions owed to employees under private defined-benefit plans.

In the 40 years it has been in existence, the PBGC has become a very important agency, insuring pensions for more than 1.5 million participants and nearly 4,700 failed single-employer and multiple-employer plans. For example, the PBGC made $5.6 billion in payments in fiscal year 2014 alone. But in some ways this understates the challenges faced by the PBGC, particularly when we are talking about multi-employer pension plans.

Last year, reports indicated that the deficits in PBGC's single-employer pension insurance program were projected to drop from more than $27 billion to just over $7 billion in 2023. However, the story for the multi-employer program was altogether different, as those deficits are projected to increase from around $8 billion to nearly $50 billion over the next decade.

Late last year, as part of the so-called Cromnibus, at the request of multi-employer pension plan managers, employers who contribute to multi-employer pension plans, and many unions representing employees, Congress passed the Multi-employer Pension Reform Act. Now, this new law gives pension plan trustees the power in extreme cases, and pursuant to regulations published by the Treasury Department, to reduce benefits in order to avoid plan insolvency and increased future reductions.

So, as I have said before, this is a sobering moment for the pension system. Beyond the hardships some retirees inevitably will experience, it highlights both the challenge of delivering on the promise of lifetime retirement income and the stakes for retirees if the system fails.

So, Mr. Reeder, if confirmed—and I believe you will be—you will have your work cut out for you. Once again, I want to welcome both of our nominees today. I look forward to their testimony. Even without that testimony, I intend to support both of you through the committee and on to the floor.

[The prepared statement of Chairman Hatch appears in the appendix.]

The CHAIRMAN. With that, let me now recognize our great ranking minority member, Senator Wyden.

OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM OREGON

Senator WYDEN. Thank you very much, Mr. Chairman. As you know, we have a full plate, you and I, ahead of us.

The CHAIRMAN. We sure do.

Senator WYDEN. I very much appreciate your making time for the hearing, and you have made many points that I certainly agree with today.

The Finance Committee has before it two nominees for vital positions in the Federal Government. Marisa Lago is nominated to be a Deputy U.S. Trade Representative at USTR. We welcome you. And we welcome Mr. Tom Reeder, an alum of the Finance Committee. He has been nominated to be the Director of the Pension Benefit Guaranty Corporation.

As Deputy USTR, Ms. Lago will be responsible for a number of critical trade issues, including improving labor conditions and environmental protections maintained by our trading partners, improving market access for American goods and services, and implementing the recently passed African Growth and Opportunity Act.

I am especially appreciative, Mr. Chairman, of your highlighting congressional oversight of trade, which you and I talked about with Chairman Ryan at great length in our discussions, pointing out how important it is that these trade agreements actually meet the negotiating objectives. I think the fact that you have highlighted that is very welcome, and I appreciate your doing it.

The fact is, USTR needs a full leadership team now more than ever to take on the range of trade priorities before it. As Ambassador Froman heads to Maui next week in an effort to conclude the Trans-Pacific Partnership, he will need to deliver on the priorities that members of Congress have here at home, because they are the priorities of the American people.

For my part, that means ensuring that the TPP agreement contains 21st-century provisions to promote digital goods in the digital economy, provides an ambitious market-opening opportunity for Made in America products, including dairy, and contains strong enforceable rules on labor and the environment.

This is a particularly important point, Ms. Lago, because, continually, those who have questioned the value of these trade agreements are talking about how trade agreements are in some way part of a race to the bottom. Chairman Hatch and I felt very, very strongly that if we worked out those labor and environmental provisions and made sure that they were enforceable, this would mean that the United States was a force for driving standards up.

Our argument was, if we walk off the playing field, you bet, that invites a race to the bottom. But having the United States on the playing field is a force for driving standards up, and that is why your position is so important, and our priority is those strong, enforceable rules on labor and environment. In your position, you are going to play a key role in ensuring that each of these priorities is realized.

Ms. Lago currently serves as Assistant Secretary at the Treasury Department. There, she works to improve global market access for American goods and services. Prior to joining Treasury, Ms. Lago held a number of positions promoting economic development in

State and local governments and in the private sector. She also served as the head of the Office of International Development at the SEC.

As I noted, we are very pleased that Mr. Tom Reeder is here, a graduate of the Senate Finance Committee staff, well-known and admired by many here behind Chairman Hatch and me at the dais. Tom served as Senior Benefits Counsel on the committee for nearly 4 years and is well-known for not just his knowledge, but his passion for pension and employee benefits, and that has been invaluable during his years at the Finance Committee.

He currently serves as Health Care Counsel at the IRS, and, before joining the Finance Committee, Mr. Reeder served at the Treasury Department in several different capacities. The Pension Benefit Guaranty Corporation needs strong leadership to tackle a number of difficult challenges, and I feel very strongly that Mr. Reeder is the right person for this very important job.

It is my hope that Mr. Reeder will be confirmed quickly so he can take the reins of this agency at this critical time, as noted by Chairman Hatch. The Pension Benefit Guaranty Corporation insures the pension benefits of America's workers, and, at a time when the agency is under financial stress, employers are trending away from defined benefit plans, and the Nation's savings remain low. These are just several of the reasons why we need Mr. Reeder's extensive knowledge, his integrity, and his leadership.

I also want to express my deep concern with several changes to the rules that govern multi-employer pensions that unfortunately were included in last year's omnibus package. The changes which were negotiated behind closed doors rolled back a major tenet of our pension law by allowing multi-employer plans to cut the earned and vested pension benefits.

Let me emphasize, those pension benefits were earned. They were vested, and they were cut. This change could impact millions of workers around the country, and I am going to be working very closely with Mr. Reeder to ensure that the rights of our retired people are safeguarded. Thank you both for joining us.

Mr. Chairman, I look forward to working closely with you on this.

The CHAIRMAN. Well, thank you very much, Senator.

[The prepared statement of Senator Wyden appears in the appendix.]

The CHAIRMAN. As I have said, we have two distinguished nominees here today before us; first, Marisa Lago, who is nominated to be a Deputy U.S. Trade Representative. Currently, Ms. Lago serves in the Treasury Department as the Assistant Secretary for International Markets and Development, where I believe she is doing an excellent job. Before confirmation in 2010, you served a long career in State and Federal Government. Your service and your willingness to continue serving are commendable.

Now, Ms. Lago, if you could please introduce your family or any folks you have with you here today, we would be happy to do that.

Ms. LAGO. Thank you, Chairman Hatch and Ranking Member Wyden. I would like to take this opportunity to introduce my husband, Ronald Finiw. He has been my constant support for the 41 years that we have been together. He is an architect who special-

izes in designing institutional buildings, including some here in Washington, DC.

The CHAIRMAN. Well, we are happy to have you here. I appreciate you being here.

Mr. Reeder, if you would care to introduce who is with you——

Mr. REEDER. Yes. I would like to introduce one of my primary role models, my brother Joe Reeder, and I believe his spouse is here as well, Kate Boyce. Both of them have been very important to me in getting me to this point.

I would also like to introduce my parents-in-law, Guido and Jewell Fenzi, who produced the other person I would like to introduce, my spouse Ruth, whose patience, advice, and sacrifice have led me to this point. Thank you.

The CHAIRMAN. We are glad to welcome all of you to the committee today.

You have been a public servant in the executive branch at Treasury and the IRS, and in the legislative branch on this committee. As a public servant and as a tax lawyer, you have an unsurpassed reputation for integrity and technical competence, and I think a well-deserved reputation for working with Senators and staff on both sides of the aisle.

I want everybody to know that I support you, and, if confirmed, I trust that you will continue to work cooperatively with Congress, the administration, and with all stakeholders in the retirement community. So we are happy to have you, we are happy to have members of your family here with you, and friends. We welcome all of you to the committee.

We will now invite both of you to give your testimony. We will start with you, Ms. Lago, first. Your full written testimony will appear in the record, and, if you could keep it to 5 minutes, we would appreciate it. But we will start with you, Ms. Lago, and then we will turn to you, Mr. Reeder, as soon as she is through.

STATEMENT OF HON. MARISA LAGO, NOMINATED TO BE DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, WASHINGTON, DC

Ms. LAGO. Thank you again, Chairman Hatch and Ranking Member Wyden. It is a tremendous privilege to be considered by this committee as a nominee for Deputy U.S. Trade Representative.

Considering the achievements of those who have served in this position and also the urgency of our Nation's leadership on trade, as both of you have emphasized, it is also humbling to sit here before you today, and I am grateful to President Obama and to Ambassador Froman for their confidence in me.

I have already introduced——

The CHAIRMAN. Can I just interrupt for a second? [To the audience]: Please take the signs down, or we will have you removed forcibly from the committee because you are blocking the viewpoint of others as well. You have a right to feel the way you do, but we are not going to have any demonstrations in the committee.

Go ahead. Sorry to interrupt you.

Ms. LAGO. Thank you. You have already given me the opportunity to introduce my husband, but I would also like to note two

other people who have had a major influence on my life. One is my mother, Maria Pita, who could not be here today. She is a Spanish immigrant and proud American, and she gave me the invaluable gift of raising me bilingually. I would also like to recognize my late father, Louis Lago, who was the child of Spanish immigrants and a World War II Navy veteran. They instilled in me a thirst for learning and could not have been more proud when I became my family's first college graduate.

Now, my father was also a 30-plus-year civilian employee of the Department of Defense, and he shared with me his pride in being a public servant. It is a lesson that I have carried with me through my career in Federal, State, and local government.

Throughout my time in government, regardless of the role, I have seen firsthand the power of trade and investment to improve lives. One example was in New York, where I headed the State's Economic Development Authority and I was able to help revitalize a decaying Brooklyn waterfront, a waterfront where my grandfather had once worked on tugboats.

In my current role at Treasury, I have worked with the World Bank and the regional development banks as they have helped to increase poor women's access to capital. This allows these women to build businesses to support communities, and, over the long term, it creates export opportunities for U.S. businesses, small and large.

President Obama and his team at USTR, with the support of this committee and the full Congress in passing the three recent trade bills, are pursuing the most ambitious trade agenda in a generation. It is an agenda that is designed to support more good jobs in the U.S., strengthen the middle class, and build on the gains that we have made in recent years.

Reaching agreements with 11 other countries in the Asia Pacific region and the European Union's 28 member states is the heart of the trade agenda. Once concluded, TPP and TTIP will give the U.S. unfettered access to two-thirds of the global marketplace.

The Obama administration is also pursuing landmark agreements in Geneva that would eliminate tariffs for 90 percent of trade in information technology products and environmental goods, as well as liberalized services trade with 75 percent of the world services market.

These agreements will support additional good-paying jobs in those sectors where the U.S. has a competitive advantage. These agreements provide an unparalleled opportunity for the U.S. to continue shaping the rules of the road for the world trading system.

However, if the U.S. does not adapt our trading system to better reflect today's global economic realities, we risk ceding leadership to other countries, countries that may not share our interests and our values and that may pursue their own regional initiatives with weaker standards for protecting labor, the environment, and intellectual property.

The trade deals that our negotiators strike will level the playing field for U.S. workers, farmers, ranchers, businesses, and service providers. I understand full well, however, from my vantage point at Treasury and my prior service at the Securities and Exchange

Commission, that our international agreements require vigilant monitoring and enforcement.

The Obama administration has filed 19 complaints at the WTO and has won every one of them. If confirmed, I will work to ensure vigorous implementation and enforcement of all of our multilateral, regional, and bilateral agreements.

I must again thank this committee, and all of Congress, for having passed a historic trade package. This is a critical step that will allow us to conclude, and then enforce, high-standard agreements to give middle-class workers the fair shot that they deserve to compete and win in today's global economy. It will open markets for businesses and innovators, and it will support a prosperous future for millions throughout the developing world.

These are ambitious goals, but as heirs to a long tradition of American leadership on trade—leadership that has routinely risen above party division to advance our Nation's interests and values—we should aim for nothing less. Thanks to the strong leadership of this committee, trade policy remains among the most promising areas for bipartisan cooperation.

It would be an honor to help carry out the marching orders that Congress has provided the Obama administration through the TPA. I know that this committee and USTR have a long history of partnership, and, if confirmed, I commit to maintaining that same level of cooperation. Thank you.

The CHAIRMAN. Well, thank you. We appreciate your willingness to serve and appreciate your long service in government.

[The prepared statement of Ms. Lago appears in the appendix.]

The CHAIRMAN. Mr. Reeder, we will take your testimony now.

STATEMENT OF W. THOMAS REEDER, JR., NOMINATED TO BE DIRECTOR, PENSION BENEFIT GUARANTY CORPORATION, WASHINGTON, DC

Mr. REEDER. Mr. Chairman, Ranking Member Wyden, members of the committee, thank you for the opportunity to discuss my nomination today.

The Pension Benefit Guaranty Corporation continues to endure challenging times. As alluded to by both the chairman and ranking member, its fiscal year 2014 deficit increased to $62 billion, up from $32 billion the year before.

While the single-employer program has improved significantly, the multi-employer program has deteriorated. Congress responded to this crisis with the enactment of the Kline-Miller Multi-employer Pension Reform Act.

That act included tools to extend the solvency of the multi-employer program. PBGC and the Treasury and Labor Departments have already provided much of the administrative framework and guidance to make that law work as intended. If confirmed, one of my highest priorities will be to work closely with Treasury and the IRS, with the Department of Labor, and all stakeholders, to make sure that that law is administered fairly.

However, the Kline-Miller legislation has provided only a year or two more of time. More has to be done in the multi-employer system if we are to avoid insolvency of that system within the next 10 years.

Of course, the issues at the PBGC are much more than the deficit of the multi-employer program. The agency is administering and providing assistance to plans that cover 1.5 million people, two-thirds of whom are already receiving benefits. Pay-outs to retirees under these plans, as the chairman indicated, amounted to $5.6 billion in fiscal year 2014, and PBGC manages investments of approximately $80 billion. If confirmed, I will work hard to ensure that the agency continues to focus on its strategic goals of preserving plans, protecting pensioners, paying timely and accurate benefits, and maintaining high standards of stewardship and accountability.

I am honored to be nominated for this position, and I am eager to take on the challenge. I have devoted most of my professional career to helping employers establish and maintain retirement plans for their employees and helping individuals achieve retirement security.

I believe my background has well prepared me for this role. During my work in private practice and as an executive at the Treasury Department, I gained a reputation for working cooperatively with all the stakeholders in the employee benefits arena, including employers, employee and retiree groups, other agencies, and Congress. I have found that retirement security is a high priority shared by leaders of both political parties.

As has already been indicated, I was a staffer in the employee benefits area in this committee. As such, I learned firsthand the importance of agencies coordinating closely with members and their staff, and I look forward to doing just that. I want to hear your ideas and be responsive to your concerns about the agency.

We need to find creative ways to involve more employees and their employers in retirement preparedness, but, at a minimum, we must devote ourselves to protecting the promise that has already been made to employees for lifetime income from their employers' pension plans.

In preparing for this confirmation process, I have learned even more about the talent and professionalism of the staff at the PBGC and their dedication to their responsibility of protecting the pensions of more than 40 million Americans. If confirmed, I would be honored to join them, and I look forward to working with Congress and everyone who shares the goals of the PBGC.

Thank you for the opportunity to appear before you today, and I would look forward to hearing your views and your questions. Thank you.

The CHAIRMAN. Thank you so much.

[The prepared statement of Mr. Reeder appears in the appendix.]

The CHAIRMAN. I have some obligatory questions that I need to ask all nominees, so if you can both listen carefully.

First, is there anything that either of you is aware of in your backgrounds that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. REEDER. No.

Ms. LAGO. No.

The CHAIRMAN. All right.

Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. LAGO. No.

Mr. REEDER. No.

The CHAIRMAN. All right.

Do you agree, without reservation, to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress, if you are confirmed?

Ms. LAGO. Yes.

Mr. REEDER. Yes.

The CHAIRMAN. Finally, do you commit to provide a prompt response in writing to any questions addressed to you by any Senator of this committee?

Ms. LAGO. Yes.

Mr. REEDER. Yes.

The CHAIRMAN. All right. I appreciate that.

Ms. Lago, if confirmed, I understand your portfolio will include the western hemisphere. I must say, I am pretty disappointed in the administration's trade policy in the Americas, so you can take that for whatever it is worth. From my perspective, the Americas just do not seem to be a priority. And it is not just this administration, it is others as well.

So I am glad the President has finally decided to fill this position at the Deputy USTR level, putting someone like you at the helm of our trading relationship in the western hemisphere with the political clout to make the region a priority.

If confirmed, what will you do to ensure that our trade policy with the Americas is a priority, and what specific goals would you like to see accomplished in the region during your tenure as Deputy U.S. Trade Representative?

Ms. LAGO. Thank you, Mr. Chairman, for focusing on the Americas. It is a region with which I have been involved in quite a number of my positions, including at Treasury, a region that is a natural for heightened involvement for the U.S. It is our closest hemisphere.

In looking at the Americas and the opportunities there, I see a number of avenues. One would be continued focus on our existing trade relationships, assuring that our trade partners live up to their obligations but also working with those of our trade partners in the region that are emerging economies to make sure that they also are able to take advantage of the trade relations that they have with the United States.

I think there are also other opportunities. As we look at the Americas, it is hard to paint a continent as just one entity. We see within Central America the need to address challenges that were brought to the forefront with the migrant children, the need to foster economic opportunity. Again, we can do that, both under existing trade agreements and through bilateral engagement.

There are economic powerhouses within the Americas, and I speak particularly of the Pacific alliance countries of Mexico, Colombia, Peru, and Chile. With those countries, I would hope to build upon my existing relationships with their senior government officials to explore further economic integration.

Another untapped potential is Brazil. Through the Treasury Department, we already have a high-level economic dialogue, and I would again hope to build upon the interest of the business community in Brazil to heighten our economic engagement with that country.

The CHAIRMAN. Well, thank you so much.

Mr. Reeder, one of the most difficult tasks at the PBGC is calculating the correct pension amount for a retiree in a plan that the PBGC has taken over and the correct amount of the plan liabilities overall. We have heard that the PBGC is in the process of reorganizing the department that performs this work and the work of measuring the liabilities of plans that are taken over by the PBGC. This department employs accountants, actuaries, attorneys, and auditors, as well as utilizing outside contractors.

Now, given that the reorganization has not been completed yet, would you prefer to have some time after you become Director, if confirmed, before the reorganization takes effect to review the proposed changes and to be sure that you agree with them?

Mr. REEDER. Thank you, Chairman Hatch. I have learned very quickly during this confirmation process that, once I am confirmed, assuming I am confirmed, everything will be on my plate. I am fully aware of the reorganization plan that has already started. I have not been fully briefed on it, but I do know that it was undertaken in response to issues raised, not the least of which were raised by the PBGC Inspector General.

I want to make sure that those issues are adequately addressed. When coming on board, I do not know that I want to derail the process, but I will certainly examine it and make sure it is something I am on board with.

The CHAIRMAN. Well, thank you. My time is just about up, so I think what I will do is turn to Senator Wyden at this point.

Senator WYDEN. Thank you very much, Mr. Chairman.

I thank both of you for your service. Let me start with you, Ms. Lago. Maybe we will have to have two rounds.

As you know, Ms. Lago, critics of past trade agreements have often said that enforcing the trade laws gets a lot of lip service. Suffice it to say, I thought they had a pretty valid point during this kind of debate. The administration, to its credit, has been moving to change this. I think, for example, the rare earths decision is very good. I think obviously we sought to do that in our bipartisan TPA bill—make some fundamental changes. You have noted it in your statement this morning. All of that is to the good.

But obviously, we have a lot more to do, so tell me in particular, and sort of act as if you were responding to the critics, how you are going to actually enforce the labor and environmental laws so we get the standards up.

Because people just say, they have all these negotiating objectives, but where are the teeth? Who is really going to make sure, in an enforceable, aggressive way, that we enforce the trade laws? Tell us how you are going to do that when you are confirmed.

Ms. LAGO. Thank you, Senator. Your focus on enforcement is consistent with how I would approach the position, if confirmed. As you are likely aware, I come from the Securities and Exchange Commission, an enforcement agency.

I have worked as a compliance officer, and so I know that, as important as negotiating a trade agreement is, as difficult as it is to achieve congressional approval of a trade agreement, there is a third, equally important phase which starts once the trade agreement has been adopted, and that is the implementation. I view implementation and enforcement as being part of a spectrum.

One needs a variety of tools to make sure that our trade agreements are implemented, that U.S. workers, U.S. businesses receive the benefits by having our foreign counterparts live up to their obligations. I think it starts with engagement with our counterparts, not just walking away from the negotiating table, but continuing to engage with our foreign counterparts.

It requires engagement with our domestic stakeholders, because they will frequently be on the front lines of being aware of those places where our trade agreements are or are not working, and it involves, in appropriate cases, using an arbitral or enforcement mechanism. We are fortunate in that TPA has laid out very clear expectations with respect to labor and the environment, and in particular making sure that these provisions are binding and enforceable through the full gamut of trade remedies, the same remedies that are available for commercial provisions.

Turning to how I would do that, I would draw upon the way I have approached my current position, which is that no single agency has all of the answers. It would be extremely important in looking to enforcement of our trade agreements to work with our State Department, and in particular the embassies on the ground in the countries of our trading partners, to work with our Department of Labor, work with the Environmental Protection Agency, the Department of Energy, USAID, and other agencies that can bring their expertise to bear.

Second would be working with our stakeholders, our stakeholders across the full gamut, from our businesses, to our labor unions, to our NGOs, to our rich civil society organizations, and obviously a key facet is going to be working with the members of Congress, and this committee in particular.

Senator WYDEN. I would like to go over this with you a little bit more, because I think those are good principles, but I still want to know more about how you are going to make the judgment to send a really tough message. Because, when you consult with stakeholders, that is good, I am glad we are doing that, but what the stakeholders really need to hear is that this time it is different. It is not just a consultation. It is not a check-the-box kind of thing.

We are required to talk to them. They want to know, are we going to be serious about bringing strong actions? We did that with rare earths, and we have had other instances of enforcement. Certainly my constituents have been the victims of massive dumping in the solar area. The Chinese hacked into a major employer in our area. We indicted them for it.

This is an example where, yes, I care a lot about it because it is my workers, but I mostly care about it because you cannot just talk about enforcement in the abstract. It has to be real, and you have to be willing to go the distance. So I am going to want to talk to you some more about it, and also I will ask you, in writing, to tell me a bit more about your priorities on digital goods and access

to services in that particular market, because Senator Cantwell and I come from a part of the world that is responsible for a lot of good-paying, high-skill jobs. I will ask you to furnish that in writing.

[The information appears in the appendix on p. 35.]

Senator WYDEN. Mr. Reeder, I will get to you on the next round. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Cantwell?

Senator CANTWELL. Thank you, Mr. Chairman. I will try to be brief so I can get to both of you, because I definitely view you as two critical assets to the future of our country and the future of economic opportunity for individual workers. So, congratulations on both of your nominations.

Ms. Lago, how do we make sure that dairy products get access to Japan and Canada, specifically, and how do we also make sure that the human rights violations in Vietnam are addressed?

And then to you, Mr. Reeder, I think my constituents, when it comes to multi-employer pension plans, want to know, why do we bail out big banks but we do not bail out the pension plans? So, when I look at the priorities for tax reform and people who want to reduce the corporate tax rate, I look at it and say, what are we going to do to stabilize the massive disruption to retirement savings that happened in relation to the economic downturn?

If we think that we are somehow, as a Federal Government, protected from that, we are not, because what is going to happen is, millions of Americans who are not going to have their retirement savings and are going to rely solely on Social Security, are going to be left short, and then they are going to end up depending on us for other benefits. So to me, I want to hear your ideas about how we get investment in the pension program to stabilize multi-employer plans.

Ms. LAGO. Thank you, Senator, for raising the issue about market access, and in particular in the dairy sector. We are engaged, through TPP, with both of these countries. Both of them knew coming into the TPP negotiations that the expectation was that they would need to provide meaningful market access. I understand that USTR is continuing to engage with both countries in these specific sectors and that these discussions will continue, including this weekend and next week in Maui.

I understand that these are sensitive sectors for both countries, but again, USTR has informed the countries—all of the negotiating partners knew coming in—that these were areas where there would have to be commercially meaningful market access in order to conclude an agreement that could be brought back to Congress.

Turning to the issue of Vietnam, the State Department is the part of the U.S. Government that takes the lead on human rights, but through TPP we have the opportunity to incentivize Vietnam even further to bring them to the table to have the discussion about their human rights, about their labor practices. So that is an opportunity that we are continuing to exploit.

Through TPP, we have the opportunity to shape the terms of engagement in this region, to say what it is that we expect with respect to transparency, governance, rule of law, labor protections. So

it is because of TPP that we are able to have yet another opportunity to engage productively with Vietnam.

Senator CANTWELL. Well, I want to make sure that just—I had a chance to talk to President Abe about U.S. imports to Japan, and so I just really want to make sure that on all these sensitive products—wheat, beef, dairy—we keep fighting the battle.

Mr. Reeder?

Mr. REEDER. Thank you for bringing that up, Senator Cantwell. I wish I had an easy answer, because if there were an easy answer, the steps would have already been taken. The solution to the multi-employer problem right now is going to involve some combination of factors or of steps that will involve some kind of pain or some kind of difficult political reality.

One is to reduce benefits. That unprecedented step was taken in the last Congress, last year. I cannot sit here and say that I would have voted for that, but it is the law, and one of my objectives is to make sure that that is administered as fairly as possible.

Another is to increase premiums that plans pay towards the multi-employer system, and another one is to find money from some other source to assist troubled multi-employer plans to——

Senator CANTWELL. I like that idea.

Mr. REEDER. Well, the administration has a proposal to address one of the most significantly troubled multi-employer plans, the United Mine Workers' plan, by using amounts that are available in another fund. I think that is worth exploration. If that step were taken, I think we would be one step closer to shoring up the——

Senator CANTWELL. Well, I know my time has expired, Mr. Chairman. Just, if you could help us in understanding the Federal Government liability, not by yourself, but I am sure we could work with other agencies and CBO to get our colleagues to understand what happens when these plans collapse.

You can certainly ask people to do with less, but at the same time, the retirement population that does not have enough savings is coming at us, and that is going to end up being a liability to the Federal Government.

So, before we give a bunch of money away to corporations for tax breaks, we had better be figuring out what we are doing about retirement savings for Americans. They did not get bailed out, Wall Street did. Thank you.

Senator WYDEN. I am glad to hear you would not have voted for it either.

Mr. REEDER. I think I said, "I cannot say I would have voted for it." [Laughter.]

Senator WYDEN. I like your answer. [Laughter.]

The CHAIRMAN. I like your qualification too. I thought it was pretty good.

Thank you, Senator. Senator Thune?

Senator THUNE. Thank you, Mr. Chairman.

Ms. Lago, I understand your portfolio will include small business issues. We often overlook the benefits of trade to small businesses when we talk about trade deals such as TPP or TTIP. If confirmed, how will you help to raise awareness regarding the benefits of trade to America's small businesses, and do you agree that both Congress and the administration need to do a better job of making

sure that international trade is not just about multinational corporations?

Ms. LAGO. Thank you, Senator, for raising the issue of small business. I think all are agreed that there is untapped potential there. It is such a small percentage of our small and medium-sized businesses that currently export.

When one looks at those small and medium-sized enterprises that do export, a very high percentage of them export to only one or two countries. So, I think that there is market opportunity. If confirmed, I would intend to focus on outreach, working with the small businesses directly through their trade associations in raising awareness.

I think the other thing that is important is that, within the trade agreements, within TPP, we are looking to address some of the non-tariff barriers to trade. If one is a large multinational, it may be far easier to deal with difficulties in our trading partners' regulatory environment inefficiencies and those non-tariff stumbling blocks.

So I do believe that, even in the structure of the trade agreements, we can make it easier for small businesses. But of course, if confirmed, I would want to reach out to make sure that they are aware of the opportunities and that they have an advocate within USTR.

Senator THUNE. I think that would be great. I think there is enormous untapped potential out there. I do think that it is harder for small businesses because, for larger companies that have the benefit of economies of scale and legal staffs and people who can explore and get through all the regulatory and sometimes other obstacles that exist, it is much easier.

I come from a State where we have a lot of small businesses that I think have a lot of upside potential when it comes to creating jobs and growing their businesses through trade, so I hope that will be a focus, particularly with the new trade agreements, should they ultimately go into effect. I think there is a real window of opportunity there.

As you know, Congress recently passed and the President signed into law an extension of the African Growth and Opportunity Act, or AGOA. My understanding is that you also have in your portfolio the responsibility over our trade relationship with the African continent.

So the question is, what do you see as the major impediments to expanded U.S. trade with that region? As the middle class expands in Africa, what are the best opportunities that you see for American businesses in Africa?

Ms. LAGO. Thank you, Senator, for focusing on the opportunities in Africa. For many years, Africa was viewed as a continent where the major defining feature was aid, and, at this point, we have an Africa with a large number of economies that want to be seen as economic opportunities, as growth opportunities. That is where AGOA and bilateral relationships give us opportunities.

When we look at AGOA, the take-up by African countries is not as high as it could be, and so I think it would be important to work with the African nations themselves to make sure that they are

able to take advantage of Congress's historic expansion of AGOA for 10 years.

If confirmed, I would also look to be working bilaterally with countries, countries with which I already have strong relationships from my current role at Treasury, as well as my involvement with the World Bank and the African Development Bank. I do think that another key to working in Africa is working regionally.

Many of the economies are individually quite small and face capacity issues, but there are strong regional associations like the East African Community, and I think that working with them, being able to provide technical capacity building, opens up opportunities for U.S. exporters to look at Africa as an area for growth.

Senator THUNE. And it strikes me, having been there a few times, that their economies could benefit enormously from the technology, technical expertise, and things that we in our country can provide.

I look specifically—because it is an area of great importance to my State and region of the country—at agriculture. I look at the enormous potential in Africa and some of the obstacles that exist to them being able to lift their economies and their standard of living through more robust agricultural production and trading opportunities.

So I know that that is probably not something that you would be specifically focused on, but there are a lot of departments and agencies that we have in our government that I would like to see more involved in that area and trying to bring that economy along, because there is tremendous potential there that could do so much to improve the lives of people on the continent, and we need to be looking at those areas.

So, my time has expired. Thank you.

The CHAIRMAN. Thank you, Senator Thune.

Senator Grassley?

Senator GRASSLEY. Yes. I have one question for each of you. In your case, Ms. Lago, if you do not have an answer to this question, you will not irritate me in any way, so do not make up an answer. [Laughter.]

You have had a wide array of experiences from your various jobs, from the private sector to the Department of Transportation, so I am curious to know, what do you believe will be the biggest challenges for U.S. exporters to overcome in international markets over, let us say, the next 5 years?

Ms. LAGO. Senator, that is a challenging question, but I will take a stab at an answer, because I do think that the challenge that all exporters and all businesses face is the changing global environment, whether it is the emergence of formerly poor countries into middle-income status and even upper middle-income status, or whether it is the evolution in technology and the fact that our economy today as we negotiate TPP is very different from the economy, even at the time of our most recent free trade agreements. So, it is dealing with the impact of change across all of the dimensions.

I certainly applaud this committee and the Congress for, in the TPA, recognizing that principal negotiating objectives had to go beyond prior objectives and address issues of our Internet economy,

of our digital economy, to make sure that the U.S. stays at the forefront of shaping the rules of the road for that economy.

Senator GRASSLEY. Mr. Reeder, I am going to quote to you what previous Director Brad Belt wrote in a column last year in which he argued it was necessary for Congress to make three changes to current law, so I am really asking your thoughts on these three changes. They include: (1) empowering the PBGC to set its own premiums; (2) changing the PBGC board to include financial market and pension experts rather than consisting of secretaries of Labor, Treasury, and Commerce; and (3) granting the PBGC greater authority to work with distressed multi-employer and single-employer plans.

So, what are your thoughts on those suggested changes?

Mr. REEDER. Well, on the first one, there is a proposal to grant the board of the PBGC authority to set premiums and allocate premiums. I think the proposal would establish very strict criteria that would be determined by Congress and would require input from all stakeholders. I think that is an idea worth considering; however, I do recognize that it would be a difficult thing to get enacted.

It was a proposal when I was a staffer here, and I do not think it ever got to first base, so I am recognizing that it would be very difficult politically for Congress to give that authority to the PBGC or to the PBGC board. I should recognize that the PBGC board is very different than PBGC, because it would incorporate the Treasury Department, the Commerce Department, and the Department of Labor.

As far as expanding the board, that is something that we would certainly like to work with you on, coming up with ideas and ramifications. It is not something I have thought about before, so I do not have an answer.

Empowering the PBGC to work more closely with endangered and failed retirement plans, I think that is something that has previously been done by Congress, starting with the Pension Protection Act in 2006, and then with the most recently enacted MEPRA. I think Congress is doing that more and more. They are giving the PBGC more tools to work with plans that are in trouble. So the last item, I think, is actually being addressed.

Senator GRASSLEY. Thank you both. I yield back.

The CHAIRMAN. Well, thank you, Senator.

Senator Wyden has another question.

Senator WYDEN. Just one last question, Mr. Chairman.

To fulfill the PBGC mission, Mr. Reeder, the agency has to collect personal and financial data about millions of Americans and thousands of companies. As you know, there has been an onslaught of troubling security breaches, data security breaches. What steps, in your view, would you pursue to make sure that the agency can effectively safeguard both personal data of retired persons and sensitive financial information from plan sponsors?

Mr. REEDER. Thank you, Senator Wyden. As a Federal employee, I am keenly aware of the problems that have arisen in the past months. It is something that is of utmost importance to me, and I know to the PBGC, just from having talked to them. They are entrusted with lots of information from plan participants and plan

sponsors, and, in light of recent events, protecting that information will be one of my top priorities at PBGC.

I do believe that the Office of Management and Budget has already issued directives to all agencies to check and evaluate their technical requirements and their IT components, and I do believe PBGC has gone through that process, and I think they have done very well, but it is something that we all must always be vigilant for. That personal information is something that we absolutely must protect, and I will do whatever I can to make that happen.

Senator WYDEN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

I want to thank the nominees for appearing here today, and I also want to thank the Senators who have participated. This has been a good hearing, and you both are excellent candidates for these positions.

Any questions for the record should be submitted by no later than Monday, July 27th.

With that, this hearing is adjourned. We wish you both the very best.

[Whereupon, at 11:02 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. ORRIN G. HATCH, A U.S. SENATOR FROM UTAH

WASHINGTON—Senate Finance Committee Chairman Orrin Hatch (R–Utah) today delivered the following opening statement during a committee hearing considering nominations for the Office of the United States Trade Representative and the Pension Benefit Guaranty Corporation:

Today we have before the committee two nominees: Marisa Lago, who has been nominated to serve as Deputy United States Trade Representative, and Thomas Reeder, who has been nominated to be the Director of the Pension Benefit Guaranty Corporation, or PBGC.

I want to welcome both nominees to the committee and commend them both for their willingness to serve.

Ms. Lago, if confirmed, you will be working during one of the most active periods for U.S. trade policy in recent history. After meeting with you, I believe you are a fine nominee and I feel confident that you are qualified to complete all the tasks that lie ahead.

I understand from USTR that you will not be responsible for any of the ongoing trade negotiations. I find it strange that the administration does not empower its Deputy U.S. Trade Representatives, positions that have been created by statute and are confirmed by the Senate, to manage trade negotiations. However, that is a decision that the President has apparently made and I do not believe it should impact your nomination.

However, as we conduct this nomination hearing, negotiations to conclude the Trans-Pacific Partnership are underway. I want to take a few minutes to outline my expectations for a strong TPP agreement, with five key components that I believe are necessary to win sufficient support for the agreement in the Senate.

First, strong intellectual property rights protections are a critically important objective. Intellectual property is the backbone of our modern economy, impacting large and small businesses across America.

In my home state of Utah, for example, half a million jobs and 67 percent of our exports are directly connected to intellectual property.

That is why the TPA law recently passed by Congress and signed by President Obama requires that trade agreements meet the high standards for IP protections found in U.S. law. I fully expect the TPP to reflect these standards, including 12 years of regulatory data protection for biologics, strong copyright and trademark protections, prevention of trade secrets theft, and transparency and procedural fairness for reimbursement decisions relating to medical devices and pharmaceuticals.

Second, we need to ensure that U.S. investors receive the same basic protections that we give to investors—foreign and domestic—here at home. This includes maintaining strong investor-state dispute settlement provisions that do not exempt products or industries from coverage.

Third, TPP must provide real and comprehensive market access opportunities for U.S. exporters. That means significant reduction, and ultimately elimination, of tariffs on U.S. exports of goods, services, and, of course, agricultural products.

Several parties to TPP are resisting our efforts to open agricultural markets. Let me be clear: If our TPP partners—like Japan and Canada—are not willing to open their markets to our exports, the final agreement will never receive sufficient support in Congress.

Fourth, TPP must also reflect the priorities set forth in our TPA law regarding digital trade. This includes ensuring foreign governments do not impede cross-border data flows and eliminating forced localization requirements. These commitments should apply broadly to all sectors, including financial services and public telecommunications.

Finally, an increasingly difficult problem our exporters face is unfair competition from state-owned enterprises. I want American businesses to be able to compete anywhere in the world. It is essential for TPP to ensure that state-owned enterprises—including those owned by sovereign wealth funds—act on a commercial basis.

I expect that the administration will reach a TPP agreement that meets these and other high standards outlined in our TPA law. Of course, if it falls short, Congress retains the right to reject the agreement or remove the expedited procedures, a right I will readily embrace if necessary.

So, as you can see, Ms. Lago, there are a lot of issues on USTR's plate. I trust you will do your best to see that the objectives I outlined are met.

Now, I'd like to take a few minutes to talk about Thomas Reeder.

For those who don't know, Mr. Reeder is a veteran of this committee and worked for Chairman Baucus.

Welcome back, Mr. Reeder.

If confirmed, you will serve during one of the most challenging periods the PBGC has ever faced. As you know, this agency was established by the Employee Retirement Income Security Act of 1974 to insure the pensions owed to employees under private defined-benefit plans. In the 40 years it has been in existence, the PBGC has become a very important agency, insuring pensions for more than 1.5 million participants in nearly 4,700 failed single-employer and multi-employer plans.

For example, the PBGC made $5.6 billion in payments in FY 2014 alone.

But, in some ways, this understates the challenges faced by the PBGC, particularly when we're talking about multi-employer pension plans.

Last year, reports indicated that the deficits in PBGC's single-employer pension insurance program were projected to drop from more than $27 billion to just over $7 billion in 2023. However, the story for the multi-employer program was altogether different, as those deficits are projected to increase from around $8 billion to nearly $50 billion over the next decade.

Late last year, as part of the so-called Cromnibus, at the request of multi-employer pension plan managers, employers who contribute to multi-employer pension plans, and many unions representing employees, Congress passed the Multi-employer Pension Reform Act. This new law gives pension plan trustees the power, in extreme cases and pursuant to regulations published by the Treasury, to reduce benefits in order to avoid plan insolvency and increased future reductions.

So, as I have said before, this is a sobering moment for the pension system. And beyond the hardship some retirees inevitably will experience, it highlights both the challenge of delivering on the promise of lifetime retirement income and the stakes for retirees if the system fails.

So, Mr. Reeder, if confirmed, you will have your work cut out for you.

Once again, I want to welcome both of our nominees today, and I look forward to their testimony.

PREPARED STATEMENT OF HON. MARISA LAGO, NOMINATED TO BE DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Chairman Hatch, Ranking Member Wyden, Members of the Senate Finance Committee, thank you for welcoming me here. It is a tremendous privilege to be considered by this Committee as the nominee for Deputy United States Trade Representa-

tive. Considering the achievements of those who have served in this position and the urgency of our nation's leadership on trade, it is also humbling to sit before you today. I am grateful to President Obama and Ambassador Froman for their confidence in me.

With your permission, I would like to introduce my architect husband, Ronald Finiw, who joins me here today. As I've changed jobs and moved between cities, Ron has been the constant, the love of my life, and my unflagging supporter for the past 41 years.

I'd also like to recognize two other major influences in my life:

- My mother, Maria Pita, a Spanish immigrant and proud American, who gave me the gift of being raised bilingual;
- And my late father, Louis Lago, child of Spanish immigrants and World War II Navy veteran.

They instilled in me a thirst for learning, and burst with pride when I became my family's first college graduate. As a 30-plus year civilian employee of the Department of Defense, my father also shared his pride in being a public servant—a lesson that has shaped my career in federal, state and local government.

Throughout my time in government, I have seen first-hand the power of trade and investment to improve lives. Whether it was in New York, where as the President and CEO of the state's economic development authority, I was able to help revitalize the decaying Brooklyn waterfront where my grandfather had once worked on a tug boat. Or in my current role at Treasury, where I have worked with the World Bank and regional development banks to increase poor women's access to capital, allowing them to build businesses and support communities—and, over the long term, create export opportunities for U.S. businesses, small and large.

President Obama and his team at USTR, with the support of this Committee and the full Congress in passing the three recent trade bills, are pursuing the most ambitious trade agenda in a generation, an agenda that is designed to support more good jobs in the United States, strengthen the middle class, and build on the gains that we have made in recent years.

Agreements with 11 other countries in the Asia-Pacific region and the European Union's 28 Member States are at the heart of this trade agenda. Once concluded, the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (T–TIP) will give the United States unfettered access to two-thirds of the global marketplace.

The Obama Administration is also pursuing landmark agreements in Geneva that would eliminate tariffs for 90 percent of trade in information technology products and environmental goods, as well as liberalize services trade with 75 percent of the world's services market. These agreements will support additional good-paying jobs in sectors where the United States has a competitive advantage.

These agreements provide an unparalleled opportunity for the United States to continue shaping the rules of the road for the world trading system. However, if the United States does not adapt our trading system to better reflect today's global economic realities, we risk ceding leadership to other countries—countries that may not share our interests and our values, and that may pursue their own regional initiatives with weaker standards for protecting labor, the environment and intellectual property.

The trade deals that our negotiators strike will level the playing field for U.S. workers, farmers, ranchers, businesses and service providers. I understand full-well, however, from my vantage point at Treasury and my prior service at the Securities and Exchange Commission that our international agreements require vigilant monitoring and enforcement. The Obama Administration has filed 19 complaints at the WTO and we have won every one of them. If confirmed, I will work to ensure vigorous implementation and enforcement of all of our multilateral, regional, and bilateral agreements.

I must again thank this Committee and Congress for having passed a historic trade package—Trade Promotion Authority (TPA), Trade Adjustment Assistance, and the Trade Preference Extension Act. These are critical steps that will allow us to conclude and enforce high-standard agreements; give middle-class workers the fair shot that they deserve to compete and win in today's global economy; open markets for our small businesses and innovators; and support a prosperous future for

millions throughout sub-Saharan Africa, Central and South America, the Caribbean, and the rest of the developing world.

These are ambitious goals, but as heirs to a long tradition of American leadership on trade—leadership that has routinely risen above party divisions to advance our nation's interests and values—we should aim for nothing less. And thanks to the strong leadership of this Committee, trade policy remains among the most promising areas for bipartisan cooperation.

Delivering on these promises depends on close cooperation between Congress and the Executive Branch. There will be no TPP and no T–TIP without a strong partnership that begins here. Thankfully, with TPA in hand, we have the framework for the strong partnership that our nation needs to continue leading on trade.

It would be an honor to help to carry out the marching orders that Congress has provided the Obama Administration through TPA. I know that this Committee and USTR have a long history of partnership and, if confirmed, I commit to maintaining that same level of cooperation.

Thank you again for the opportunity to appear before you today. I am happy to answer any questions that you may have.

SENATE FINANCE COMMITTEE

STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name (include any former names used): Lago, Maria Louise (AKA Lago, Marisa)
2. Position to which nominated: Deputy United States Trade Representative, with the rank of Ambassador
3. Date of nomination: November 12, 2014
4. Address (list current residence, office, and mailing addresses):
5. Date and place of birth: December 4, 1955; Brooklyn, NY
6. Marital status (include maiden name of wife or husband's name):
7. Names and ages of children:
8. Education (list secondary and higher education institutions, dates attended, degree received, and date degree granted):

Educational Institution	Dates attended	Degrees received	Dates of degrees
Harvard Law School	9/1979–5/1982	J.D. cum laude	5/1982
Brown University (Graduate School; Applied Math Department)	9/1977–12/1977	none	n/a
The Cooper Union	9/1973–5/1977	B.S. Physics	5/1977
Morris Catholic H.S.	9/1969–6/1973	Diploma	6/1973 (estimate)

9. Employment record (list all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment):

Title:	Assistant Secretary for International Markets and Development
Employer:	United States Department of the Treasury
Location:	1500 Pennsylvania Avenue NW, Washington, DC 20220
Dates:	2/10–present
Title:	Acting United States Director of the European Bank for Reconstruction and Development
Employer:	United States Department of the Treasury
Location:	1500 Pennsylvania Avenue NW, Washington, DC 20220
Dates:	12/13–present
Note:	Position is held simultaneously with my position as Assistant Secretary

Title: President and CEO (9/08–6/09); Advisor (7/09–2/10)
Employer: Empire State Development Corporation (ESDC)
Location: 633 Third Avenue, NY, NY 10017
Dates: 9/08–12/09

Title: Commissioner
Employer: New York State Department of Economic Development
Location: 633 Third Avenue, NY, NY 10017
Dates: 9/08–6/09
Note: Position was held simultaneously with my position as President and CEO of ESDC

Title: Global Head of Compliance
Employer: Citi Markets and Banking (Citigroup, Inc.; Citigroup Global Markets, Inc.)
Location: 388 Greenwich Street, NY, NY 10013
Dates: 4/03–9/08

Title: Director of Global Workforce Development
Employer: Citigroup, Inc.
Location: 390 Park Avenue, NY, NY 10022
Dates: 8/01–3/03

Title: Director, Office of International Affairs
Employer: U.S. Securities and Exchange Commission
Location: 100 F Street, NE, Washington, DC 20549
Dates: 2/97–7/01

Title: Chief Economic Development Officer & Director, Boston Redevelopment Authority
Employer: City of Boston
Location: One City Hall Square, Boston, MA 02201
Dates: 2/94–1/97
Note: The two positions were held simultaneously

Title: General Counsel
Employer: New York City Economic Development Corporation (NYC EDC)
Location: 110 William Street, NY, NY 10038
Dates: 9/90–2/94

Title: Senior Vice President for Legal Affairs
Employer: New York City Industrial Development Agency
Location: 110 William Street, NY, NY 10038
Dates: 1991 (estimate)–2/94
Note: Position was held simultaneously with my position as General Counsel of NYC EDC

Title: Junior Partner; Associate
Employer: Nutter, McClennen & Fish
Location: World Trade Center West, 155 Seaport Boulevard, Boston, MA 02210
Dates: 2/86–8/90 (Junior Partner, 1/88–8/90; Associate, 2/86–12/87)

Title: Special Assistant to the Chairman
Employer: New York City Department of City Planning
Location: 22 Reade Street, NY, NY 10007
Dates: 10/83–12/85

Title: Law Clerk to the Honorable Hugh Bownes
Employer: U.S. Court of Appeals for the First Circuit
Location: James C. Cleveland Federal Building, 55 Pleasant Street, Concord, NH 03301
Dates: 9/82–8/83

Title: Summer Associate
Employer: Berle, Butzer, Kass & Case (now defunct law firm)
Location: 45 Rockefeller Plaza, NY, NY 10111
Dates: 6/82–7/82 (estimate)

Title: Summer Associate
Employer: Cleary Gottlieb Steen & Hamilton LLP
Location: One Liberty Plaza, NY, NY 10006
Dates: 6/81–8/81 (estimate)

Title: Summer Research Assistant for Professor Lance Liebman
Employer: Harvard Law School
Location: Harvard Law School, 1563 Massachusetts Ave., Cambridge, MA 02138
Dates: 6/80–8/80 (estimate)

Title: Actuarial Assistant
Employer: William M. Mercer
Location: 99 High Street, Boston, MA 02110
Dates: 2/78–8/79 (estimate)

10. Government experience (list any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above):

Member, Massachusetts Housing Partnership

Member, Clerk, Vice-Chairperson of Scituate (Massachusetts) Planning Board

Member, Scituate (Massachusetts) Housing Partnership

Member, Scituate (Massachusetts) Fair Housing Committee

11. Business relationships (list all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

Organization	Office held (if any)	Dates
Empire Stale Development Corporation (ESDC)	President and CEO	9/08–6/09
Citigroup	Managing Director	4/03–9/08
Citigroup	Director	8/01–3/03
Boston Redevelopment Authority	Director	2/94–1/97
New York City Economic Development Corporation	General Counsel	9/90–2/94
New York City Industrial Development Agency	Senior Vice President	1991 (est.)–2/94
Nutter, McClennen & Fish	Junior Partner	1/88–8/90

12. Memberships (list all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations):

Organization	Office held (if any)	Dates
Cooper Union Engineering Advisory Council	Member	11/98–2/10
NYC Investment Partnership	Member, Board of Directors	3/09–6/09
Lower Manhattan Cultural Council	Member, Board of Directors	4/06–8/08
Enterprise Foundation	Member, Advisory Board	2002–2005
Hannah House	Member, Board of Directors	1997–6/01
Women's Forum of Washington	Member	1997–2001 (estimate)
Massachusetts Women's Forum	Member	1994–1997
Fannie Mae Housing Impact Advisory Council	Member	1995–1997

Organization	Office held (if any)	Dates
Boston Management Consortium	Director	1995–1/97
National Economic Development and Law Center; currently called the Insight Center for Community Economic Development	Member, Board of Directors	1991–1994
Association of the Bar of the City of New York	Member; Committee on Real Property Law & Special Committee on Government Counsel	1991 (estimate)–1/94
Massachusetts Housing Partnership	Member	1990
(Boston) Metropolitan Area Planning Council (MAPC)	Member	1987–1990
(Boston) South Shore Coalition (an affiliate of MAPC)	Member (87–90); Clerk (88–89); Vice-Chairperson (88–90)	1987–1990
Scituate (Massachusetts) Planning Board	Member (87–90); Clerk (87–88); Vice-Chairperson (88–90)	1987–1990
Scituate (Massachusetts) Housing Partnership and Scituate Fair Housing Committee	Member	1988–1990
Boston Bar Association (BBA)	Member; Committee on Real Property Law, Environmental Committee, and Special Committee on Minorities in the Profession	1986–1990 (estimate)
Lawyers Clearinghouse on Affordable Housing and Homelessness (Joint project of BBA & Massachusetts Bar Association)	Member	1987–1990 (estimate)
Boston Law Firm Group; currently called the Boston Lawyers Group	Representative of the law firm Nutter McClennen & Fish, my then-employer	1986–1990 (estimate)
Scituate (Massachusetts) Democratic Town Committee	Member	1988

13. Political affiliations and activities

a. List all public offices for which you have been a candidate:

Scituate (Massachusetts) Planning Board; Member (87–90); Clerk (87–88); Vice-Chair (88–90)

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years:

None

c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 10 years:

Name	Date	Amount
Friends of Tom Carper	8/5/05	$2,000
Citigroup PAC—Federal	12/29/05	$5,000
Democratic Senatorial Campaign Committee	4/20/06	$2,500
Friends of Hillary	6/7/06	$1,000
Citigroup PAC—Federal	8/14/06	$5,000
Friends of Chris Dodd	1/2/07	$2,100
Rangel For Congress	3/30/07	$2,000
The Reed Committee	6/7/07	$500
Citigroup PAC—Federal	6/14/07	$5,000
The Reed Committee	6/21/07	$500
Friends of Max Baucus	9/14/07	$2,300
Hillary Clinton for President	10/5/07	$2,300
The Reed Committee	3/2/08	$2,300
Udall for Colorado	4/22/08	$500
Citigroup PAC—Federal	5/15/08	$208
Friends of Rahm Emanuel	5/30/08	$2,300
Citigroup PAC—Federal	5/30/08	$208
Citigroup PAC—Federal	6/15/08	$208
Citigroup PAC—Federal	6/30/08	$208
Friends of Gregory Meeks	7/2/08	$2,300
Citigroup PAC—Federal	7/15/08	$208
Obama for America	7/30/08	$1,000
Citigroup PAC—Federal	7/31/08	$208
Citigroup PAC—Federal	8/15/08	$208
Citigroup PAC—Federal	8/29/08	$208
Obama for America	8/31/08	$1,300
Citigroup PAC—Federal	9/15/08	$208
Democratic National Committee	11/13/08	$100
Deval Patrick for Governor	9/02/09	$500
Obama for America	12/31/11	$100
Obama for America	6/29/12	$1,000
Obama for America	10/2/12	$250
Presidential Inaugural Committee	8/1/13	$150

14. Honors and Awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement):

Description	Dates (If applicable)
The Cooper Union: Presidential Citation	1996
German Marshall Fund, Fellowship for International Environmentalists	1989
National Science Foundation: Honorable Mention	1977
The Cooper Union: Full tuition scholarship for 4 years of undergraduate education	1973–1977
Sigma Pi Sigma (national physics honor society)	1976–1977 (estimate)
Morris Catholic High School: valedictorian	1973

15. Published writings (list the titles, publishers, and dates of all books, articles, reports, or other published materials you have written):

I have done my best to identify all of my published writings, including through a review of personal files and searches of publicly available electronic databases. Despite my searches, there may be other materials I have been unable to identify, find, or remember.

U.S. Department of the Treasury blog post, 4/12/13. "Opportunity for Youth is the Key to Haiti's Future"

U.S. Department of the Treasury blog post, 4/20/12. "A Visit to Rwanda's Land Husbandry, Water Harvesting, and Hillside Irrigation Project"

U.S. Department of the Treasury blog post, 11/07/11. "Women: The Key to Development Solutions"

U.S. Department of the Treasury blog post, 09/21/11. "The Impact of the World Bank and Multilateral Development Banks on National Security"

U.S. Department of the Treasury blog post, 12/29/10. "Development Dividends: Emerging Africa"

Association of the Bar of the City of New York, Real Property Committee, 1992. Seminar on "Hazardous Materials Issues in Real Estate Transactions: Negotiation of Commercial Documentation." Course Materials: "Environmental Clean-Ups: Who's Liable Now?"

Massachusetts Continuing Legal Education, 1990. Course materials: "Important New Developments in Wetlands and Waterways Regulation."

Massachusetts Continuing Legal Education, 1989. Course materials published as "Massachusetts Zoning Manual: Nonconforming Uses and Structures."

16. Speeches (list all formal speeches you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated):

I have done my best to identify all formal speeches relevant to the position during the last 5 years, including through a review of personal files and searches of publicly available electronic databases. Despite my searches, there may be other materials I have been unable to identify, find, or remember.

Remarks of Assistant Secretary Lago at the Seminar on the U.S. Regulatory and Institutional Environment for Chinese Foreign Direct Investment, September 25, 2013

Remarks of Assistant Secretary for International Markets and Development Marisa Lago at the 2012 Caixin Summit, November 21, 2012

Assistant Secretary of the Treasury Marisa Logo Speaks to Chines Companies about the United States Open Investment Policy and CFIUS, November 15, 2012

Remarks by Assistant Secretary for International Markets and Development Marisa Lago at the Annual Meeting of the African Development Bank, May 31, 2012

Remarks by Assistant Secretary for International Markets and Development Marisa Lago at the 53rd Annual Meeting of the Inter-American Development Bank Group, March 19, 2012

Remarks by Assistant Secretary Marisa Lago on "America's Continued Commitment to Open Investment," November 14, 2011

Remarks by Assistant Secretary Marisa Lago to the Institute of International Bankers, September 26, 2011

Remarks by Assistant Secretary Marisa Lago at a Georgetown University and PwC Conference on "Financial Institutions in the New Regulatory Environment: Opportunities, Constraints, and Global Challenges," September 22, 2011

Written Testimony of the Treasury Assistant Secretary Marisa Lago before the House Financial Services Subcommittee on International Monetary Policy and Trade, September 21, 2011

Statement by U.S. Governor at the European Bank for Reconstruction and Development's Twentieth Annual Meeting of the Boards of Governors, May 19, 2011

Statement by the U.S. Governor, Treasury Assistant Secretary Marisa Lago, May 5, 2011

Assistant Secretary Marisa Lago's Remarks at Welcome Ceremony for U.S.-China Initiative on City-Level Economic Cooperation, April 19, 2011

Remarks by Assistant Secretary Marisa Lago on International Financial Regulatory Reform, April 12, 2011

U.S. Governor's Speech by Assistant Secretary Marisa Lago at the IDB Annual Meeting 2011, March 28, 2011

Remarks by Assistant Secretary Marisa Lago to the Partnership to End Hunger and Poverty in Africa's Annual Forum, March 1, 2011

Assistant Secretary for International Markets and Development Marisa Lago Introductory Comments for Eurofi Panel Discussion of "Prospects of Future G–20 Discussions and Expected Impacts for the EU," September 30, 2010

Testimony of Marisa Lago, Assistant Secretary of the Treasury for International Markets and Development before the Senate Foreign Relations Committee and the House Ways and Means Committee, September 15, 2010

Assistant Secretary Marisa Lago Statement at the 45th Annual Meeting of the Board of Governors of the African Development Bank, May 28, 2010

Prepared Statement by U.S. Governor Marisa Lago at the European Bank for Reconstruction and Development's Nineteenth Annual Meeting of the Boards of Governors, May 18, 2010

Assistant Secretary Lago's Statement Asian Development Bank 43rd annual meeting Tashkent, Uzbekistan, May 3, 2010

Assistant Secretary Marisa Lago Address to the Plenary Session of the Inter-American Development Bank Annual Meeting, Cancun, Mexico, March 22, 2010

17. Qualifications (state what, in your opinion, qualifies you to serve in the position to which you have been nominated):

Over the years, I have acquired broad experience in diverse areas that will serve me well if confirmed as Deputy United States Trade Representative. My areas of expertise include: international economic diplomacy; national security; international development assistance; international financial services regulation; international financial services; federal, state and municipal governance and policy; and leadership and management of large, complex initiatives and organizations. Throughout my career I have maintained a strong commitment to public service and community involvement.

U.S. Department of the Treasury: Assistant Secretary for International Markets and Development

In my current position (2010 to present), I lead Treasury's role on the Committee on Foreign Investment in the United States and direct Treasury's portfolio on international development assistance, technical assistance, international financial services regulation and trade in financial services.

U.S. Securities and Exchange Commission: Director, Office of International Affairs

From 1997 to 2001, I headed the Office of International Affairs for the U.S. Securities and Exchange Commission. As the head of the office responsible for all aspects of the SEC's international activities, I played a key role in numerous international initiatives involving: trade in financial services; international accounting standards; regulation of financial conglomerates; corporate governance; securities activities on the Internet; and enhancing financial regulation in off-shore financial centers. I also represented the SEC with the securities and banking regulators in both developed and emerging markets in activities such as: negotiating Memoranda of Understanding with foreign authorities; obtaining evidence from abroad and responding to foreign requests for assistance; rendering advice concerning international matters to SEC Commissioners and staff; coordinating international initiatives with other SEC divisions, U.S. government agencies, and foreign authorities; crafting proposals for legislative changes relating to the SEC's international activities; and providing international technical assistance.

Citigroup Markets and Banking: Global Head of Compliance

From 2003 to 2008, I was the Global Head of Compliance for Citigroup's corporate and investment bank. While there, I was responsible for compliance matters for Citigroup's Markets and Banking businesses including: investment and corporate banking; sales and trading of equities, fixed income, currencies and commodities; public finance; and transaction services. I led a team of over 500 employees, located in over 80 countries, with an annual budget in excess of $100,000,000. I was a Member of the Citigroup Management Committee, and held Series 24 and 14 securities licenses.

Empire State Development Corporation: President and CEO
New York State Department of Economic Development: Commissioner

As the head of New York's chief economic development agency, I pushed forward important small business initiatives, tourism programs, industry retention negotiations and long-term development projects including the revitalization of Erie Canal Harbor in Buffalo, the expansion and renovation of the Jacob Javits Convention Center in Manhattan, and the construction of Brooklyn Bridge Park.

Boston Redevelopment Authority: Director

City of Boston: Chief Economic Development Officer

As Boston's Chief Economic Development Officer from 1994 to 1997, I headed the Boston Redevelopment Authority, which is responsible for city planning, zoning, real estate development, and real estate finance. I was also responsible for several other city agencies that provided the city's public housing, affordable housing, neighborhood development and job training. All together I managed 16 million square feet (400 acres) of municipally owned land, 60,000 public housing tenants (10% of the city population), 1,300 employees and a budget of over $300,000,000.

New York City Economic Development Corporation: General Counsel

From 1990 to 1994, I was General Counsel of the New York City Economic Development Corporation (EDC), a city-funded public benefit corporation responsible for commercial, industrial and waterfront development. In this role, I negotiated a retention deal to prevent out-of-state relocation of commodities exchanges and leased city park land to the U.S. Tennis Association for a new U.S. Open tennis stadium.

Other Experience

In the mid-1980s, I was Special Assistant to the Chairman of the New York City Planning Commission. I began my legal career as a law clerk to the Honorable Hugh. H. Bownes of the U.S. Court of Appeals for the First Circuit. In the late 1980s, I became a Junior Partner in the Real Estate Development and Finance Department of the Boston law firm, Nutter McClennen and Fish. I earned a J.D. cum laude from Harvard Law School in 1982, and a B.S. in physics from Cooper Union in 1977.

Throughout my career, I have been committed to outside civic activities. These have included service on the Board of Directors of the Lower Manhattan Cultural Council, the Advisory Board of the Enterprise Foundation, the Housing Impact Advisory Council of Fannie Mae, and the Board of Directors of the National Economic Development and Law Center.

I am fluent in Spanish, which has been helpful in both my international and domestic positions.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

No. I will continue the connections of my current government position in my new government position if confirmed.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way con-

stitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

3. **Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.**

None.

4. **Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement. I am not aware of any current potential conflicts.

5. **Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.**

USTR's Designated Ethics Official has determined that I have no potential conflicts of interest.

6. **The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:**

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (*e.g.*, March to December 1995), and the number of hours spent on the representation.

No.

D. LEGAL AND OTHER MATTERS

1. **Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.**

No.

2. **Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.**

No.

3. **Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.**

Yes. I believe that I have been a party, in my official capacity only (and not as an individual), to lawsuits challenging the actions of the following entities:

- Empire State Development Corporation
- New York State Department of Economic Development
- Boston Redevelopment Authority
- New York City Economic Development Corporation
- Scituate Planning Board

The records of any such lawsuits are available from the general counsel of each of these entities.

The following are the only times that I have been sued in my personal capacity for activities related to my public service:

WHILE EMPLOYED BY THE BOSTON REDEVELOPMENT AUTHORITY:

Court: Suffolk (Massachusetts) Superior Court Civil Docket #SUCV97–02875C	**Proceeding:** Civil action	**Role:** Defendant	**Date filed:** 5/1997
Comments: The plaintiff alleged employment discrimination, interference with constitutional rights, violation of Massachusetts Equal Rights Act and intentional interference with advantageous relations. Case against Marisa Lago was dismissed for failure to state a claim.			
Agency: Massachusetts Commission Against Discrimination (MCAD)	**Proceeding:** Administrative	**Role:** None	**Date filed:** Unknown
Comments: The plaintiff in the case above also filed a related administrative claim with the Massachusetts Commission Against Discrimination (MCAD). I have no further information about the MCAD claim, and believe that it was dismissed.			

WHILE SERVING ON THE SCITUATE PLANNING BOARD:

Court: Plymouth (Massachusetts) Superior Court Civil Docket C.A. #90–1761B (Loretta E. Darien et al. v. Thomas Bledsoe et al.)	**Proceeding:** Civil action	**Role:** Defendant	**Date filed:** 1990 (est.)
Comments: The case was a challenge by the proponents of an animal shelter of the action of the Scituate (Massachusetts) Planning Board (SPB) in denying a site plan approval/special permit. The suit, which named both the SPB and each individual SPB member, was dropped by the plaintiffs.			

The following are the only times that I have been a party in my personal capacity:

IN MY PERSONAL CAPACITY:

Court: Suffolk (Massachusetts) Superior Court Civil Docket #94–5219	**Proceeding:** Civil action	**Role:** Plaintiff	**Date filed:** 10/1994
Comments: The case was a dispute regarding proposed development of land adjacent to my then-home. I challenged the action of the Massachusetts Department of Environmental Protection (DEP) in affirming the granting of an Order of Conditions (0 of C) by the Scituate (Massachusetts) Conservation Commission (SCC), acting as an arm of the Commonwealth of Massachusetts under the Massachusetts Wetlands Protection Act. The matter arose from the attempt of a speculator to build on an unbuildable lot located adjacent to my then-home. Development permits were denied (which was the result that I sought).			

IN MY PERSONAL CAPACITY:—Continued

Court: Plymouth (Massachusetts) Superior Court Civil Docket #93–0927B	**Proceeding:** Civil action	**Role:** Plaintiff	**Date filed:** 12/1993 (est.)
Comments: This is a case related to the previous case. I believe that I was the named plaintiff, but do not have records of this case. Also, I believe that there may have also been related administrative proceedings before the DEP, SCC and Scituate Buildings Department. I do not have records of any such proceedings.			
Court: US Tax Court Docket #33526-87''S''	**Proceeding:** Civil action	**Role:** Defendant	**Date filed:** 1987 (est.)
Comments: For the 1984 tax year, the IRS alleged a deficiency in my return (Joint return with spouse). We challenged this determination. A decision entered on June 6, 1988 found that there was no deficiency and no taxes due.			
Court: Unknown New York Court	**Proceeding:** Civil action	**Role:** Plaintiff	**Date filed:** 1975 (est.)
Comments: Challenge (along with a number of my classmates who were then Physics majors at Cooper Union) to the decision by Cooper Union to terminate the Physics program. I believe that plaintiffs dropped the challenge.			

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

QUESTIONS SUBMITTED FOR THE RECORD TO HON. MARISA LAGO

QUESTIONS SUBMITTED BY HON. ORRIN G. HATCH

Question. One of the significant problems for U.S. services companies working to expand into foreign markets and compete globally is that an increasing number of governments are considering or imposing data server localization requirements. In TPA, we required that the Administration "ensure that governments refrain from implementing trade-related measures that impede digital trade in goods and services, restrict cross-border data flows, or require local storage or processing of data." This committee, in the report accompanying the TPA bill, wrote that we expect U.S.

negotiators to pursue protections from foreign governments imposing data localization requirements for all sectors, including financial services.

We are concerned that the administration continues to carve out financial services from data server localization requirement protections. If confirmed, will you ensure that all sectors, including financial services, are protected against localization requirements?

Answer. The significant increase in localization barriers to trade around the world is of serious concern to the Obama Administration. We are advancing efforts to reduce and prevent the proliferation of localization barriers to trade, including restrictions on data flows and requirements to establish infrastructure domestically, through the full range of bilateral, multilateral, and regional forums, including the WTO, APEC, and the OECD. Trade agreements are an important means for ensuring that the Internet and the commercial ecosystem it supports remains open and can grow and thrive.

U.S. firms lead the world in IT innovation and maintain a competitive advantage by being at the edge of that evolution, as both users and suppliers of advanced technology. We recognize that it is a significant burden for our companies to be forced to build data centers in every market they serve: a burden in cost; reliability; and flexibility. I understand that USTR has advanced new trade provisions in TPP to address concerns related to data localization. In supporting these objectives, we have been pressing for robust provisions in financial services to allow financial services providers the flexibility to transfer data abroad and engage in cross-border data-processing. However, our financial regulators have raised strong concerns about provisions that could hamper effective regulation and supervision of financial markets and institutions by, for example, limiting their ability to access books and records in a timely fashion. The Administration's approach to financial services seeks to strike a balance between our regulators' needs for access to supervisory information and our companies' commercial interests in processing data on a cross-border basis.

Question. I am very concerned about the state of intellectual property rights protections around the world, including in developing countries, I do not believe it serves these countries and the goal of economic development to turn a blind eye to IPR violations. As you know, the AGOA program explicitly lists the protection of intellectual property among the eligibility criteria.

The reauthorization of AGOA Congress recently passed includes a requirement that the administration conduct an out-of-cycle review of South Africa's compliance with the program's eligibility criteria. I remain concerned with the state of IPR protections in South Africa after their release of a Draft Intellectual Property Policy that includes a proposal for the inappropriate use of compulsory licensing.

While all the eligibility criteria are important, can you assure me that, if you are confirmed, intellectual property protections will be closely examined in this out-of-cycle review and in subsequent annual reviews?

Answer. The Administration has consistently made clear to South Africa that its continuing participation in AGOA depends on its ability to eliminate barriers to U.S. trade and investment, including by the protection of intellectual property, which ultimately will play a central role in South Africa's ability to attract investment and allow innovation to thrive. South Africa recently retracted its Draft Intellectual Property Policy due to stakeholder concerns and has not yet released a revised draft policy for public comment. However, we are continuing to closely monitor intellectual property protections in South Africa and, if confirmed, I will work to ensure that South Africa complies with AGOA eligibility criteria, both within the context of the out-of-cycle review and in subsequent reviews.

Question. Congress let the Andean Trade Preferences Program (ATPA) expire in July 2013. At that time, Ecuador was the only remaining ATPA beneficiary. Many in Congress felt then that Ecuador no longer deserved special trade preferences given its very poor record in honoring its international obligations, including the U.S.-Ecuador Bilateral Investment Treaty; its crackdown on the independent press; and its lack of cooperation with the United States in fighting narcotics, among other reasons. Ecuador's record in these areas is worse today than it was 2 years ago. And yet Ecuador is back before USTR seeking to expand its GSP benefits to make up some of the trade preferences it lost when ATPA expired. In my view, this would be trying to do an end run around Congress.

Will you ensure that USTR rejects any attempt by Ecuador to expand its GSP benefits to ensure that this end run does not succeed?

Answer. I understand that there are two GSP actions pending with respect to Ecuador. First, the government of Ecuador submitted petitions in 2012 to add 10 additional products to the GSP program for all GSP beneficiary countries. These 10 products had previously entered the United States duty-free under ATPA. The GSP subcommittee accepted three of these product petitions for review: those covering fresh cut roses, frozen broccoli, and preserved artichokes. Other interested parties, including representatives of more than 20 U.S. companies and organizations, also submitted comments in favor of adding these three products to the GSP program.

With respect to the second GSP action, USTR accepted for review a country practice petition to remove Ecuador from the GSP program due to issues related to recognition and enforcement of arbitral awards. The GSP Subcommittee's review of both petitions was halted when the GSP program lapsed. However, with the recent reauthorization of the GSP program, I understand that the GSP Subcommittee has resumed its review of both petitions.

If confirmed, I will ensure that, before any recommendation is made to the President on either issue involving Ecuador, USTR fully considers the matter, including all comments received, to ensure that the statutory criteria set by Congress for such reviews are followed.

Question. I requested a letter describing your portfolio if you are confirmed by the Senate. From the very brief response I received, I understand that you will be covering labor, environment, textiles, small business, market access, and industrial competitiveness. I also understand you will not be taking the role of lead negotiator in any of the United States' ongoing negotiations.

Please explain what you anticipate your duties will be in each of these areas.

Answer. In addition to the issues that you listed, if confirmed, I expect to be responsible for trade and investment issues related to the Western Hemisphere and Africa. With respect to all of the issues—geographic and functional—within my portfolio, I will prioritize effective implementation and enforcement of our existing agreements as well as any new agreement approved by Congress. Having worked at the Securities and Exchange Commission, I value effective enforcement and fully understand the importance of ensuring that our trading partners live up to the commitments that they have made in our trade agreements.

If confirmed, I will work closely with other U.S. agencies to take a whole of government approach to monitoring our partners' compliance with these commitments. I will also work closely with you and other Members as we carry out this critical function, and will ensure that we are coordinated with key stakeholders by seeking their input on an ongoing basis.

Question. I am very pleased that the Congress has, at last, reauthorized the Generalized System of Preferences (GSP) program. As you know, this program provides tariff reductions for developing countries and supports manufacturing in the United States.

The program is vital for the economies of many countries in the Western Hemisphere that do not have trade agreements with the United States. However, not all of the countries benefiting from the program are living up to the standards in the program. For example, Argentina has failed to live up to international arbitral awards regarding defaulted debts.

How will you address issues in implementing the GSP program such as this? Do you think it's appropriate for countries which are not living up to the requirements of the GSP program to receive benefits?

Answer. All GSP beneficiary countries must live up to the statutory country eligibility criteria, including the recognition and enforcement of arbitral awards. If confirmed, I will continue to ensure that GSP beneficiary countries adhere to the eligibility criteria. Where a beneficiary country fails to meet them, the U.S. Trade Representative would recommend that the President remove that country from the GSP program, as was done with Argentina in 2012 and Bangladesh in 2013.

Regarding Argentina, in March 2012 President Obama suspended Argentina's eligibility for trade benefits under the GSP program because Argentina failed to enforce arbitral awards with respect to two U.S. companies. Although the government of Argentina subsequently reached a settlement with the two U.S. companies in October 2013, there is currently no prospect of Argentina being considered for rein-

statement of GSP benefits because the World Bank has classified Argentina as a "high-income" economy. Under the GSP statute, countries that the World Bank classifies as "high income" may not be considered for eligibility.

QUESTIONS SUBMITTED BY HON. RON WYDEN

Question. Ms. Lago—you have a portfolio that includes labor and environmental issues. As you may know, the TPA bill we recently enacted directs USTR to obtain strong labor and environment rules in trade agreements. But all things trade related are only as good as their enforcement.

Please outline how you will ensure that our trading partners live up to their obligations in these areas, and specifically the role that you will play in ensuring that our TPP partners are in compliance with their obligations.

Answer. The Obama Administration places a high priority on the effective implementation and enforcement of all aspects of our trade agreements, including those on labor and environment. In the TPP context, the Administration insisted that labor and environment obligations be included in the core text of the agreement and be enforceable by the same procedures as commercial disputes. If confirmed, I intend to ensure that USTR continues to make enforcement of labor and environment rules a top priority. Having worked at the Securities and Exchange Commission, I value effective enforcement and fully understand the importance of ensuring that our trading partners live up to the commitments that they have made in our trade agreements. If confirmed, I will work closely with other U.S. agencies to take a whole of government approach to monitoring our trading partners' compliance with their commitments. I will also work closely with you and other Members as we carry out this critical function, and will ensure that we are coordinated with key stakeholders by seeking their input on an ongoing basis.

Question. Ms. Lago—as Deputy USTR you will be in charge of the Trade Representative's issues surrounding market access. I'm a big believer in the transformational power of the Internet and think that we should do everything we can to export our digital goods and services—and our belief in free expression and the exchange of ideas.

Please discuss your priorities regarding digital goods and services market access.

Answer. I see trade agreements as a vital means for ensuring that the Internet and the commercial ecosystem it supports remain open and can grow and thrive. Any meaningful trade agenda for the United States must reflect our interests in the digital economy for both goods and services. That is why USTR seeks to include a range of provisions in ongoing trade negotiations, including TPP, T–TIP, and TiSA, aimed at enhancing opportunities for digital trade. Chief among these are:

- A "negative list" approach to services and investment (all sectors are covered unless a trading partner negotiates to exclude a sector or subsector), which is critical to promoting innovative and fast-changing services such as Internet-based services;
- A prohibition on imposing tariffs on content transmitted electronically;
- Non-discriminatory treatment of content distributed electronically into markets of a trade partner;
- An affirmative obligation to permit cross-border data flows; and
- A prohibition on requiring the use of local computing facilities for covered services.

The digital economy is an area of unparalleled strength for the United States, but its continued growth, and contribution to U.S. jobs and innovation depend deeply on a liberalized global environment. To that end, I would note the agreement that USTR reached with more than 50 partners in Geneva earlier this month to eliminate tariffs on more than 200 technology products. An expanded Information Technology Agreement (ITA) will be the first major tariff-eliminating deal at the WTO in 18 years and estimates from industry show that this breakthrough could support up to 60,000 additional American jobs.

If confirmed, I will work to ensure that we strive to keep the Internet as open as possible as a platform for commerce and the exchange of ideas, both through trade initiatives that we pursue and through vigilant enforcement of existing trade obligations.

Question. U.S. intellectual property law strikes a balance to promote innovation, preserve free speech and support economic dynamism on the Internet. As you may know, I have opposed policies that would ossify the creative economy and censor the Internet. Many of our foreign trading partners are still developing their legal frameworks around intellectual property and the Internet. Technology and an open Internet can be an economic boon, particularly to our developing country partners in the Americas and Africa.

Will you commit to promoting balanced intellectual property, including copyright, frameworks abroad that reflect all sides of U.S. law and to ensuring that the Internet remains an equal opportunity platform for free speech and economic growth, and how will you further those goals?

Answer. Consistent with USTR's current engagement on IPR with our trading partners, I will, if confirmed, promote strong and balanced IPR protection and enforcement in a manner that reflects U.S. law. The U.S. copyright system is an engine of free expression and a major building block in the world economy. It plays a critical role in promoting and disseminating American works of authorship, and the balance of rights and exceptions and limitations achieved in U.S. law provides diverse benefits for large and small businesses, consumers, authors, artists, and workers in the information, entertainment, and technology sectors. A robust copyright framework ensures that innovators and creators are respected and that investments (both intellectual and financial) are promoted. Such a framework also ensures that limitations and exceptions provide an appropriate balance, and that enforcement measures are effective.

QUESTIONS SUBMITTED BY HON. ROB PORTMAN

Question. As you may know, the Nicaragua Trade Preference Level (TPL) expired at the end of last year and despite numerous pieces of trade legislation being signed into law recently, TPL renewal was not included. The Nicaragua TPL has enabled certain types of garments to be competitively produced in the CAFTA–DR region. At the same time, the special provision on woven trousers, which is part of the TPL, promotes the use of U.S. made fabrics and has led to an increase of those exports. Cintas, a company based in my home state of Ohio where it employs nearly 3,500 people, has been an active user of this program since it was enacted in 2006. The TPL's expiration has significantly increased the cost of doing business there and has repealed the cost competitiveness of using U.S. fabrics. Although there has been a short term increase of exported fabrics, many believe this trend is not likely to continue in the long term as this garment production will likely move to Asia. Can you tell me when the U.S. intends to revive this successful program? If not, can you justify why the U.S. is not pursuing renewal of the special earned import allowance provision that has provided vast benefits to U.S. uniform, apparel and fabric companies and their employees?

Answer. It is my understanding that the Administration has not yet taken a position on extending the Nicaragua one-for-one program. If confirmed, I will work closely with you and other Members, as well as all relevant stakeholders, on this important issue.

Question. As you may know, Congress recently passed Trade Promotion Authority, which included two principal negotiating objectives calling for U.S. negotiators to deal with currency manipulation by our competitors. If confirmed, how will you prioritize dealing with currency issues, in compliance with these negotiating objectives?

Answer. Addressing persistently undervalued exchange rates has been a top priority for the Administration. Led by the Treasury Department, which is responsible for currency issues, the Administration has worked hard to promote a level global playing field by moving major economies to market-determined exchange rate systems with transparent and flexible exchange rates that reflect underlying economic fundamentals. As you note, the negotiating objectives on currency in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 are designed to promote greater accountability of the currency policies of our trading partners. With regard to addressing exchange rates in the context of our trade initiatives, we will continue to engage with Congress and our domestic stakeholders on how best to achieve our policy objectives in this area.

QUESTIONS SUBMITTED BY HON. ROBERT MENENDEZ

Question. Ms. Lago, several of our current free trade partners in Central America have raised concerns that if the final TPP includes concessions requested by Vietnam regarding rules of origin and short supply lists for textile and apparel, it will result in severe job losses and potentially gut the textile and apparel industry in the Western Hemisphere.

- What plans, if any, does USTR have to ensure that CAFTA countries and others in Central America are not negatively affected by the TPP?
- Will you commit to me to work with our trading partners in the region to ensure that our trade relationships remain robust?

Answer. We have a strong relationship in textile and apparel trade with the region. Our CAFTA–DR partners enjoy duty-free access to the U.S. market for textiles and apparel today and provide the same access to products of the United States. The United States and CAFTA–DR countries also share a highly integrated textile and apparel supply chain. This success has increased the competitiveness of the region's producers. I understand that the United States' TPP textiles proposal takes into account the importance of regional integration and business relationships between CAFTA–DR and the United States. USTR has also taken steps to ensure that our CAFTA–DR partners have the time and opportunity to position themselves well to compete in the U.S. market, for example by pursuing long tariff phase outs for our most sensitive products and a yarn-forward rule of origin. If confirmed, I will work with our CAFTA–DR partners to maximize use of the CAFTA–DR benefits that are currently available in the textile and apparel sectors—as well as other sectors—and to ensure that other factors that can greatly effect regional competitiveness, such as high transportation costs and lengthy customs processing times, are given priority attention.

Question. Ms. Lago, I am extremely concerned with the policy this administration has taken with the Cuban Government.

- What are the administration's plans to expand trade with Cuba?
- Is Cuba ready to implement the internationally recognized labor, environment, and good governance standards necessary to be a trustworthy trading partner of the United States?
- Does Jackson-Vanik apply to Cuba? Does the Administration plan to notify Congress of an intent to grant a waiver?

Answer. The U.S. trade embargo with Cuba remains in place. Most transactions between the United States and Cuba continue to be prohibited. There would be a number of steps necessary for complete normalization of trade relations with Cuba were a decision be made to move in this direction. Actions would also need to be taken at a wide variety of levels: legislation by Congress, executive actions by the President, and work with international organizations, bilaterally with Cuba, and multilaterally at the World Trade Organization.

Question. Ms. Lago, as you know, my amendment to prohibit "fast-track" procedures for trade agreements with countries ranked Tier 3 on the State Department's Trafficking in Persons report was passed by both houses of Congress and signed by the President last month. Tier 3 countries fail to meet the minimum standards to prosecute perpetrators of human trafficking and to care for their victims.

- Please describe the role of USTR in negotiating human rights concerns with potential trading partners. For example was a Tier 3 country such as Malaysia chosen for TPP inclusion without direct consultation with the Office of Trafficking in Persons?

Answer. While the promotion of human rights globally is a priority for the entire Administration, the State Department is solely responsible for drafting the annual Trafficking in Persons (TIP) report and assigning countries to a specific "tier." I understand that USTR consults closely with the State Department, including the Office of Trafficking in Persons, on the promotion of efforts to address human trafficking within trade negotiations. In the Trans-Pacific Partnership trade agreement, USTR is negotiating strong protections of international labor rights with the 11 other countries, including Malaysia. These protections will include specific obligations on forced labor, and I understand that the Administration is discussing with Malaysia the specific actions that it will need to take to fulfill these obligations.

Question. Some people argue that trade and human rights are two separate issues. Seems to me that trading with certain countries, like Malaysia, where a sig-

nificant number of employees in the tradeable goods sector are in situations of forced labor demonstrates that direct connection.

- In your opinion, should we be granting privileged access to U.S. markets to countries that consistently fail to protect victims of modern slavery?

Answer. The United States requires the highest labor standards in the world in its trade agreements, and once we have negotiated these agreements, we enforce those rights vigorously. TPP is an opportunity to set strong labor standards to uphold labor rights, level the playing field for American workers, and raise conditions and living standards for workers around the world. The Administration is working closely with Malaysia and other TPP countries to agree on the specific reforms that they will need to make in order to gain the benefits of TPP. In addition to requiring our trading partners to reform their labor laws and practices to meet these standards, we back up those obligations with strong enforcement mechanisms in our trade agreements, including trade sanctions. A key reason that countries are willing to make these comprehensive and sometimes difficult reforms is precisely because of the benefits of the trade agreement.

Question. USTR is tasked with negotiating our trade agreements and if confirmed, you specifically will be working to raise and uphold the labor standards in those agreements. However, once the deal is ratified, it seems that USTR fails to follow through with the implementation. I've heard from outside groups that funding for labor technical assistance to implement previous trade agreements has basically dried up.

- Why should we expect that the TPP will be any different?
- Please provide a current accounting of the labor rights programs associated with our existing trade agreements: the agreements that provide for them, the programs we are pursuing under those agreements, and the level of funding for those programs.

Answer. I strongly agree that ensuring that sufficient technical assistance is provided to our developing country trade partners is critical for both the United States and our trade partners to fully realize the benefits of our trade agreements. On labor issues, this is particularly true since the labor rights standards in our most recent trade agreements are the highest in the world and frequently require our trading partners to undertake significant legal and institutional reforms. The Administration has provided to our trade partners a wide range of labor-related technical assistance that is tailored to the issues the countries face.

These labor-related programs and technical exchanges are supported by staff and resources primarily from the Department of Labor (DOL), the Department of State (State), and the United States Agency for International Development (USAID). While the United States engages our trade partners on labor issues through a variety of means, currently for countries with which the United States has a free trade agreement, these agencies are supporting programs that address: freedom of association in Bahrain (State), labor rights in Central America (State), union capacity building in Central America (State), labor rights in Colombia (DOL, State), child labor in Colombia (DOL), union capacity building in Colombia (USAID), union capacity building in the Dominican Republic (State), child labor in El Salvador (DOL), union capacity building in Guatemala (USAID), factory mediation in Honduras (State), union capacity building in Honduras (USAID), child labor in Honduras (DOL), child labor in Jordan (DOL), freedom of association in Jordan (State), labor standards in factories in Jordan (DOL), union capacity building in Mexico (USAID), nondiscrimination in Mexico (DOL), strengthening inspection and mediation in Morocco (DOL), fundamental labor rights in Morocco (State), child labor in Morocco (DOL), labor standards in factories in Nicaragua (DOL), freedom of association in Oman (State), child labor in Panama (DOL), labor inspections in Peru (DOL), child labor in Peru (DOL), and forced labor in Peru (DOL). If confirmed, I will work with you to explore whether these programs are sufficiently funded.

This demonstrates the comprehensive and targeted support that this Administration continues to provide to our existing trade partners. I understand that for TPP the Administration similarly expects to provide support for implementation of the ambitious commitments that countries are undertaking in order to ensure the obligations of our trade agreements are met and that worker rights and working conditions benefit from the reforms that countries are implementing.

Question. U.S. companies and workers lead the world in innovation across many sectors, whether that's creating state-of-the-art technologies that provide new platforms by which Americans and citizens around the world can connect and share in-

formation, or benefiting patients with medicines that improve and save lives. This innovation environment is able to flourish based on the stability of our intellectual property laws, which provide the appropriate balance to encourage investment and research. And globally, the U.S. and other countries have committed to international standards for patent issuance so innovators are able to seek patents on their inventions through a fair and reliable process.

- Can you assure me that if confirmed you will continue to work to encourage innovation and help protect U.S. industry abroad?

Answer. The USTR team is working around the globe to promote strong and balanced IP protection and enforcement, which provide a critical incentive for innovation. USTR continues to engage intensively to advance the interest of U.S. innovators and creators globally and to encourage enabling environments that include IPR, which is vital for the development of new IP-intensive goods and services, including innovative technologies, content, brands and medicines. If confirmed, I will work to promote transparency, certainty and predictability in the IP systems of our trading partners, including with respect to patents.

Question. Relying on a discriminatory legal doctrine used nowhere else in the world, Canadian courts have invalidated patents on 19 innovative medicines for conditions like cancer, diabetes and high blood pressure. These decisions are inconsistent with Canada's international obligations and threaten investment in future cures. They are harming an industry that supports nearly 3.4 million American jobs, over 70,000 of which are in New Jersey.

- If confirmed, what will you do to address and reverse the serious and growing challenge posed by Canada's "patent utility doctrine" before it does further damage?

Answer. I understand that USTR is engaged with Canada on this important issues. If confirmed, I will press Canada to address concerns about the lack of clarity and the impact of the patent utility decisions of some Canadian courts. I will urge Canada to improve the situation and clarify these standards for patent applicants and holders.

QUESTION SUBMITTED BY HON. RICHARD BURR

Question. In 2009, the U.S. and EU reached the U.S./EU WTO Agreement on Bananas. This Agreement was aimed at eventually ending the WTO Banana dispute if the EU honored its commitments, including its commitment in the Agreement not to discriminate against U.S. banana service suppliers on licensing measures. It is my understanding that the United States has not settled the Banana case because of a concern that since 2009, Italy has been levying sizable, discriminatory assessments against a U.S. banana service supplier for engaging in licensing arrangements that were permitted and widely used under EU law, including by EU-owned firms. It is also my understanding that the European Commission has declined over the past 2 years to clarify its position on this issue and USTR has consequently been reviewing how best to ensure EU compliance under the 2009 Agreement. I appreciate USTR's attention to this matter, which relates directly to the effective enforcement of trade agreements. I would appreciate knowing what specific steps, including under the 2009 Agreement, USTR intends to take in the near term to uphold the Agreement and its numerous successful WTO rulings in this dispute.

Answer. The United States in 2010 signed a bilateral agreement on bananas with the EU, which entered into force on January 24, 2013. That agreement was related to a banana tariff-cutting agreement the EU concluded at the same time with a number of Latin American banana exporting countries. Both agreements were designed to bring an end to the longstanding bananas-related disputes then pending in the WTO. On November 8, 2012, the EU and Latin American countries announced that they had settled all bananas-related disputes and claims pending between them.

I understand that USTR has been in frequent contact over recent months with the affected supplier concerning the actions taken by Italian customs authorities and related decisions taken by Italian courts challenging the supplier's use of certain EU banana import licenses under pre-2006 EU banana import regulations. I further understand that the supplier has informed USTR that its use of import licenses during the period in question was consistent with EU governing regulations

in effect at the time. USTR has been pressing the European Commission to clarify its position on this matter and will continue to do so.

QUESTIONS SUBMITTED BY HON. JOHN CORNYN

Question. Both the Colombia and the Peru trade promotion agreements contain provisions calling for the negotiation of cumulation provisions to facilitate regional integration.

- What is the status of these discussions?
- What steps will you take to ensure that these important provisions are implemented as soon as possible?

Answer. As you note, there are regional cumulation provisions for textiles and apparel within the United States—Colombia Trade Promotion Agreement and the United States—Peru Trade Promotion Agreement. The agreements provide that the Parties will enter into consultations to discuss whether products of countries within the region should be allowed to satisfy the rules of origin requirements of each agreement, subject to relevant domestic legal requirements.

I understand that USTR has met several times with Peru and Colombia to discuss the issue, most recently with Colombia on July 27–29, 2015. USTR has noted that domestic procedures require full consultations with affected stakeholders, as well as an amendment to each agreement and a new implementation action by Congress, before cumulation could become effective. I understand that USTR has also asked for data from Peru and Colombia on products that would be affected by cumulation in order to advance the discussions. If confirmed, I will consult closely with the Governments of Colombia and Peru, domestic stakeholders, and Congress on this important matter.

Question. This month marks the 10th anniversary of Congressional approval of the CAFTA–DR.

- What is the Administration's assessment of this trade agreement?

Answer. The CAFTA–DR has further integrated the region's already highly integrated manufacturing and supply-chain network. Designed to establish the legal and regulatory framework to build long-term growth and prosperity, the CAFTA–DR has had a positive economic and development impact on member countries. U.S. exports to Central America and the Dominican Republic grew more than 84 percent from 2005 to 2014, reaching $31.1 billion. U.S. imports from CAFTA–DR countries totaled $28.4 billion in 2014, up 57% from 2005. And the intra-regional trade among Central American countries and the Dominican Republic increased by 87 percent between 2005 to U.S. $8.5 billion by 2014.

Foreign Direct Investment increased in all CAFTA–DR countries both prior to and after the CAFTA–DR entered into force. Reported U.S. foreign direct investment in CAFTA–DR countries (stock) was $7.4 billion in 2013, an increase of roughly $3.1 billion from the pre-CAFTA–DR level of $4.3 billion in 2005.

In assessing the economic and commercial impact of the CAFTA–DR, the importance of ensuring the effective implementation among countries remains key. The CAFTA–DR provides the tools, framework and strong incentives for regional economic integration. Ongoing monitoring and enforcement, as well as technical support, will continue to strengthen implementation of the CAFTA–DR and further expand the benefits of trade to the region.

Question. Government officials in Central America have raised concerns to me over the potential impact of the TPP on CAFTA–DR countries, especially in the area of textiles and apparel.

- What steps has the Administration taken in Central America to keep this region and industry competitive?

Answer. We have a strong relationship in textile and apparel trade with the region. Our CAFTA–DR partners enjoy duty-free access to the U.S. market for textiles and apparel today and provide the same access to products of the United States. The United States and CAFTA–DR countries also share a highly integrated textile and apparel supply chain. This success has increased the competitiveness of the region's producers. I understand that the United States' TPP textiles proposal takes into account the importance of regional integration and business relationships between CAFTA–DR and the United States. USTR has also taken steps to ensure that

our CAFTA–DR partners have the time and opportunity to position themselves well to compete in the U.S. market, for example by pursuing long tariff phase outs for our most sensitive products and a yarn-forward rule of origin. If confirmed, I will work with our CAFTA–DR partners to maximize use of the CAFTA–DR benefits that are currently available in the textile and apparel sectors—as well as other sectors—and to ensure that other factors that can greatly effect regional competitiveness, such as high transportation costs and lengthy customs processing times, are given priority attention.

Question. Given the 10-year extension of AGOA, and the continued focus on TPP and TTIP, it is important that we don't forget our neighbors in Central and South America, and our other non-TPP FTA partners in the hemisphere. In Texas, we see the significant commercial benefits of expanding trade with our neighbors—and our businesses large and small benefit from expanded trade across the border and throughout Central and South America.

- What would you do as Deputy USTR to help ensure that textile and apparel trade between the U.S. and our allies in the Western Hemisphere remains strong and fosters new growth for U.S. exports?
- Will you commit to work with me and this Committee to develop a trade strategy for our region that will build off our current FTAs and complement the efforts on TPP and TTIP?

Answer. Our non-TPP FTA partners in the Western Hemisphere—Colombia, Costa Rica, the Dominican Republic, El Salvador, Honduras, Guatemala, Nicaragua and Panama—all enjoy duty-free access to the U.S. market for textiles and apparel today and provide the same access to products of the United States. Textile and apparel products are a significant part of our trade with these countries, and this success has created supply chains that increase the competitiveness of the region globally. If confirmed, I will work with our partners in the region to maximize use of this preferential access and to ensure that other factors that can greatly effect regional competitiveness, such as high transportation costs and lengthy customs processing times, are given priority attention.

If confirmed, I will work with you and others Members to deepen our trade engagement in the Western Hemisphere. With five of the 12 TPP countries located in the Western Hemisphere, I expect that the TPP, once concluded and implemented, will set a new standard for trade agreements in this hemisphere and beyond.

PREPARED STATEMENT OF W. THOMAS REEDER, NOMINATED TO BE DIRECTOR, PENSION BENEFIT GUARANTY CORPORATION

Mr. Chairman, Ranking Member Wyden, Members of the Committee, thank you for the opportunity to discuss my nomination today.

The Pension Benefit Guaranty Corporation (PBGC) continues to endure challenging times. Its fiscal year 2014 deficit increased to $62 billion, up from $36 billion the year before. While the single-employer program has improved significantly, the multi-employer program's deterioration has been driven by the declining financial position of a few very large multi-employer plans.

Congress responded to the crisis in the multi-employer program with the enactment of the Kline-Miller Multi-employer Pension Reform Act of 2014. That Act included several tools to extend the solvency of the multi-employer program. PBGC and Treasury and Labor Departments have already provided much of the administrative framework and guidance to make that law work as intended. If confirmed, one of my highest priorities will be to work closely with Treasury and the IRS, the Department of Labor, and all stakeholders to ensure that new statute is administered fairly. However, the Kline-Miller legislation has only provided a year or two of time. Much more has to be done to prevent insolvency of the multi-employer program within the coming 10 years and the sooner the action is taken, the less disruptive it will be.

Of course the issues at PBGC are much more than the deficit of the multi-employer system. The agency is administering single-employer plans and providing assistance to insolvent multi-employer plans that collectively cover nearly 1.5 million Americans, two thirds of whom are already receiving retirement benefits. Payouts to retirees under these plans amounted to $5.6 billion in fiscal year 2014. And PBGC manages investments of over $80 billion. If confirmed, I will work hard to ensure that the agency continues to focus on its strategic goals of preserving plans

and protecting pensioners, paying timely and accurate benefits, and maintaining high standards of stewardship and accountability.

I am honored to be nominated for this position and am eager to take on the challenge. have devoted most of my professional career toward helping employers establish and maintain retirement plans for their employees and helping individuals achieve retirement security. And I believe my rich background of experiences has well prepared me for this role. The PBGC's main purpose is to provide a safety net to continue benefits for pension plan participants when companies can no longer afford the program and to help plan sponsors keep their plans ongoing.

I was an attorney in private practice in the retirement arena for a dozen years before entering public service. As such, I advised clients on creating and operating pension plans. I gained an appreciation for the fact that most employers want to help their employees prepare for retirement. But this view is often offset, particularly with small employers, by the uncertainty of funding a traditional defined benefit pension plan and the perceived regulatory burden of starting and maintaining a plan. I also gained first-hand knowledge of working with government regulatory agencies in the pension area and an appreciation for the talent and dedication of the staffs of each of the agencies.

Since my years in private practice, I played an active role in the development and administration of retirement policy at the Department of the Treasury. As a member of the Senior Executive Service there, I gained a reputation for working cooperatively with all the stakeholders in the employee benefits arena, including employers, employee groups, other agencies, and Congress. I was at Treasury under three Presidents and have found that retirement security is a high priority shared by leaders in both political parties. I directed Treasury's successful administration of several pension reform statutes, including the Pension Protection Act of 2006 and the Worker, Retiree, and Employer Recovery Act of 2008.

Following my experience at the Treasury Department, I was a senior staffer in this Committee. I continued to work hard to bring people together to face difficult issues head-on and find consensus solutions to complex problems—solutions that respect all the stakeholders. Having worked for the Finance Committee, I know the importance of working with Congress. I look forward to working closely with you. I want to hear your ideas and be responsive to your concerns about the agency.

If confirmed to lead the PBGC, I would work with stakeholders and staff to develop a workable consensus with respect to the agency's policies and programs. Retirement security is essential. Defined benefit plans are a better way to achieve it than defined contribution plans and must be preserved. We need to find creative ways to involve more employees and employers in retirement savings, but, at a minimum, we must devote ourselves to protecting the promise that has already been made to employees for lifetime income from their employers' pension plans.

In preparing for this confirmation process, I have learned even more about the talent and professionalism of the staff at the PBGC and their dedication to their responsibility of protecting the pensions of more than 40 million people. I believe I have the right experience and capability to lead that agency toward even greater success in achieving its mission.

If confirmed, I would be honored to join the professionals at PBGC in working towards the goal of retirement security, and I look forward to working with Congress and everyone who shares that goal.

Thank you for the opportunity to appear before you today. I look forward to hearing your views and answering your questions.

SENATE FINANCE COMMITTEE

STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name (include any former names used): William Thomas Reeder, Jr.
2. Position to which nominated: Director, Pension Benefit Guaranty Corporation
3. Date of nomination: May 21, 2015

4. Address (list current residence, office, and mailing addresses):

5. Date and place of birth: October 27, 1950, El Paso, Texas

6. Marital status (include maiden name of wife or husband's name):

7. Names and ages of children:

8. Education (list secondary and higher education institutions, dates attended, degree received, and date degree granted):

   Mt. Vernon High School, Alexandria, VA (1968)
   College of Liberal Arts, University of Texas at Austin (BA, 1972)
   College of Education, University of Texas at Austin (BSEd, 1974)
   Graduate School of Business, University of Texas at Austin (MBA, 1982)
   School of Law, University of Texas at Austin (JD, 1987)

9. Employment record (list all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment):

   Tax Examiner, Internal Revenue Service, Austin, TX (1973–1974)

   High School Teacher, Crockett High School, Austin, TX (1974–1976, 1978–1984)

   Volunteer, United States Peace Corps, Togo, West Africa (1976–1978)

   Honors Program Clerk, U.S. Department of Justice Tax Division, Washington, DC, 1986

   Associate, Akin, Gump, Strauss, Hauer and Feld, Washington, DC (1987–1991)

   Associate, Of Counsel, Partner, Paul, Hastings, Janofsky and Walker, Washington, DC (1991–2000)

   Attorney Advisor, Associate Benefits Tax Counsel, Deputy Benefits Tax Counsel, and Benefits Tax Counsel, U.S. Department of the Treasury, Washington, DC (2000–2009)

   Senior Benefits Counsel, Senate Finance Committee, Washington, DC (2009–2013)

   Health Care Counsel, Internal Revenue Service, Washington, DC (2013–Present)

10. Government experience (list any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments, other than those listed above):

    None.

11. Business relationships (list all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution):

    President, Tom and Ruth Fenzi Reeder Foundation, Alexandria, VA (2001–Present)

12. Memberships (list all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations):

Member, American Bar Association	1987–Present
Member, DC Bar Association	1988–Present
Member, State Bar of Texas	1987–Present (inactive status since approx. 1990)
Member, Hyde Park Neighborhood Association	1978–1987
Member, Friends of Togo	1987–Present
Member, John Marshall Law School LLM Program Advisory Board	2007–2011

Member, DC Randonneurs	2005–Present
Member, Randonneurs USA	2003–Present
Member, Austin Cycling Association	1978–1987
Member, League of American Bicyclists (1979–1984: Texas State Legislative Representative (unpaid))	1978–Present

13. Political affiliations and activities:

a. List all public offices for which you have been a candidate.

None.

b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None.

c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 10 years.

Obama 2012 Presidential Campaign, $500
John Tester 2012 Senate Campaign, $500
Andrew Person Montana Delegate Campaign, $100

14. Honors and Awards (list all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement):

Teacher of the Year, Crockett High School, 1983/84

Sord Scholar, University of Texas School of Business, 1980 (Academic Excellence)

Fellow, American College of Employee Benefits Counsel, 2008

Secretary's Honor Award, Department of the Treasury, 2005

Ken Gideon Award, Internal Revenue Service, 2007, 2008

15. Published writings (list the titles, publishers, and dates of all books, articles, reports, or other published materials you have written):

The Nondiscrimination Rules for Employee Health and Welfare Plans: The Ghost of Section 89?	Society for Hum. Resource Mgmt. Legal Report	Winter 1992
''Benefit Plans and EEO,'' Chapter 8 of the Equal Employment Law Treatise Update	BNA	1998
Recent Developments in Plan Participant Loan Programs	Journal of Pension Plans and Compliance	1991

16. Speeches (list all formal speeches you have delivered during the past 5 years which are on topics relevant to the position for which you have been nominated):

I have made more than a dozen speeches in the past 5 years on current topics in Employee Benefits at bar and other trade associations. None of them were formal, and I do not have the text of any of them.

17. Qualifications (state what, in your opinion, qualifies you to serve in the position to which you have been nominated):

I believe my academic, legal, government, and legislative experience described above, along with my professional reputation in and out of government, qualify me well to lead the PBGC.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

   Yes, except that I plan to continue work in funding and administering our small charitable family foundation, in accordance with the terms of the ethics agreement that I have entered into with the Agency's Ethics Official and that has been provided to this Committee.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

   No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

   No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

   Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

   I have consulted with the Agency's Ethics Officials to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Agency's Ethics Official and that has been provided to this Committee. I am not aware of any potential conflicts of interest.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

   I am not aware of any such potential conflicts of interest.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

   None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

   Any potential conflicts of interest will be resolved in accordance with the terms of the ethics agreement that I have entered into with the Department's Designated Agency Ethics Official and that has been provided to this Committee.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

   To be provided.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

   Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed

(including any work you supervised), the time frame of the work (*e.g.,* March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated , disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

   No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

   No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

   No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

   No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

   None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

   Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

   Yes.

QUESTIONS SUBMITTED FOR THE RECORD TO W. THOMAS REEDER, JR.

QUESTIONS SUBMITTED BY HON. ORRIN G. HATCH

Question. Mr. Reeder, one of the most difficult tasks at the PBGC is calculating the correct pension amount for retirees, and calculating the correct amount of the plan liabilities overall, for plans that are taken over by the PBGC from companies that go bankrupt. In addition, the plan documents are complicated and the rules that govern PBGC pension calculations are extraordinarily complex. We have heard over the years from some airline pilots who worked for airlines that went bankrupt about a pension calculation issue. It seems that pilots at the time were required by federal aviation law to retire at age 60, but the PBGC may have been required by pension law to treat their retirement age as 65. Working together these two rules seem to have resulted in a dramatic reduction in the amount of the pension calculation for the pilots affected. As Director, if confirmed, you will of course have to follow the law as written. But are willing to look at this situation once you arrive at the PBGC and see if, by chance, anything in the law might have been overlooked by the PBGC in the calculation of these pilot pensions?

Answer. I am not fully aware of the details of this issue. My understanding is that the authority to create new classes of guaranteed benefits is linked to another provision of ERISA that requires enactment of an additional, separate premium to fund them. As you know, Congress sets premium rates by law and has not enacted a separate, additional premium for this purpose. If confirmed, I will be happy to analyze the details of this more carefully.

Question. Unlike the single-employer pension program, where the PBGC takes over a plans assets and liabilities and actually administers the plan of a bankrupt employer, in the multi-employer program the PBGC essentially loans money to the insolvent multi-employer plan, and the plan continues to administer the benefits. We have been told that in the entire history of the PBGC, only one loan has ever been repaid. If confirmed as Director, and in light of the serious problems presented to the PBGC by multi-employer plans, would you be willing to consider and perhaps propose to Congress alternative ways for the PBGC to address insolvent multi-employer plans?

Answer. I look forward to working with you and your staff, Congress, and our Board to carefully consider alternatives.

QUESTIONS SUBMITTED BY HON. ROB PORTMAN

Question. My constituents in Ohio who have seen their pension plans taken over by the PBGC report to me that they have a difficult time getting accurate answers to questions about their pensions. If you are confirmed will you commit to correcting this situation, improving the training and accuracy of source materials used by those who represent the PBGC to the public?

Answer. I strongly believe in the importance of providing high quality service to the participants in the plans that have terminated and have been transferred to PBGC. Timely, accurate administration of benefits is at the core of PBGC's mission. If I am confirmed, I commit to making sure that we have a motivated, high performing benefits administration and payment organization that meets the needs of the participants it serves.

Question. I have heard from many of my constituents regarding lengthy delays by PBGC in order to calculate the final benefit determinations for plan participants. I joined several colleagues from Ohio in writing the Acting Director to request the status of final benefit determinations for the Delphi Salaried Retirees. Previous information provided by the PBGC indicated that there was a 2 year delay in beginning the efforts to make a final benefit determination, which was followed by an outside contractor working for 2 years before being replaced by a new contractor. In the eyes of Ohioans waiting for the resolution of this issue, this demonstrated a lack of urgency and a lack of effort being made for participants in the plans that have been trusteed by the PBGC. If you are confirmed, will you commit to making PBGC more efficient as well as more transparent and responsive to pension plan participants? How can we expedite the time it takes to complete final benefit determinations, given that 6 years seem unacceptably long for struggling families trying to make ends meet?

Answer. If confirmed I will do everything in my power to ensure that PBGC will start sending final benefit determination letters to Delphi Salaried plan participants in October of this year, as promised. I understand that PBGC is on track to do so. As I stated above, if confirmed, I am committed to making sure that we have a motivated, high performing benefits administration and payment organization. I look forward to working with the PBGC staff, the Board, and Congress in finding ways to expedite the process of issuing final benefit determination letters and maintaining high standards of quality.

Question. One of the most important goals of the PBGC, if not the most important, should be accountability to the hundreds of thousands of retirees in PBGC-trusteed plans. However, I am concerned that, in the case of the Delphi Salaried Retirees Plan, which was terminated by the PBGC more than 6 years ago, more than 20,000 participants and retirees are still waiting for basic information regarding their Plan's assets and liabilities. If you are confirmed, will you commit to providing more transparency for retirees? Would you commit to providing preliminary determinations of assets and liabilities, and actuarial assumptions used to determine the need to terminate the plan, and then follow up with final calculations and methodologies used to arrive at them?

Answer. I agree that high quality service to participants and accountability are at the core of PBGC's mission. As I noted above, if confirmed, I will do everything in my power to ensure that PBGC will start sending final benefit determination letters to the Delphi Salaried plan participants in October of this year, as promised. I am aware that PBGC has provided monthly updates to Delphi Salaried plan participants on the status of actions needed to issue benefit determinations. I look for-

ward to working with you and other stakeholders to explore other ways to improve transparency and enhance the service PBGC provides to its customers.

PREPARED STATEMENT OF HON. RON WYDEN,
A U.S. SENATOR FROM OREGON

Today the Finance Committee has before it two nominees for vital positions in the federal government: Marisa Lago, nominated to be a Deputy United States Trade Representative at USTR, and Tom Reeder, nominated to be the Director of the Pension Benefit Guaranty Corporation.

As Deputy USTR, Ms. Lago will be responsible for a number of critical trade issues, including improving labor conditions and environmental protections maintained by our trading partners, improving market access for American goods and services, and implementing the recently-passed African Growth and Opportunity Act.

USTR needs a full leadership team now more than ever to take on the range of trade priorities before it. As Ambassador Froman heads to Maui next week in an effort to conclude the Trans Pacific Partnership, he will need to deliver on the priorities of Members here at home.

For my part, that means ensuring that the TPP agreement contains 21st-century provisions to promote the digital economy, provides ambitious market opening for Made in America products, including dairy, and contains strong, enforceable rules on labor and the environment. Ms. Lago will play a key role ensuring each of these priorities is realized.

Ms. Lago currently serves as Assistant Secretary at the Treasury Department, where she works to improve global market access for American goods and services. Prior to joining Treasury, she held a number of positions promoting economic development in state and local governments and in the private sector. She also served as the head of the Office of International Development at the SEC.

Also with us today is Tom Reeder, an alumnus of the Finance Committee well-known and admired by Committee members and staff across the board. Tom served as Senior Benefits Counsel on the Committee for nearly 4 years, and his depth of knowledge and passion for pension and employee benefits were invaluable to us all. He currently serves as Health Care Counsel at the IRS, and before joining the Finance Committee, Mr. Reeder served at the Treasury Department in numerous capacities. The PBGC needs strong leadership to tackle a number of difficult challenges, and I am confident Mr. Reeder is the right person for the job.

It is my hope that Mr. Reeder will be confirmed quickly so he can take the reins of the agency at a critical moment. The PBGC insures the pension benefits of America's workers, and, at a time when the agency is under financial stress, employers are trending away from defined benefit pension plans, and the nation's savings rate remains low, Mr. Reeder's policy acumen, integrity, and leadership will be needed.

I also want to take the time to express my deep concern with several changes to the rules that govern multi-employer pensions that were included in last year's omnibus package. The changes, which were negotiated behind closed doors in the House of Representatives, rolled back a major tenet of our pension laws by allowing multi-employer plans to cut earned and vested pension benefits. This change could impact millions of workers around the country. I plan to work with Mr. Reeder to ensure that participants and retirees' rights are safeguarded.

Thank you both for joining us this morning, I look forward to hearing from each of you.