



**Statement of U.S. Senator Sherrod Brown,
Chairman of the Congressional-Executive
Commission on China (CECC)**

**CECC Hearing on “China’s Compliance With
the World Trade Organization and
International Trade Rules”**

January 15, 2014

As prepared for delivery.

I’d like to welcome everyone to this hearing on “China’s Compliance with the World Trade Organization and International Trade Rules.”

Today I am calling on China to fully comply with all of its World Trade Organization commitments and fully and faithfully implement all of the WTO rulings against it.

This Commission believes we have a special obligation to monitor China’s WTO compliance.

By adhering to a rules-based system, with clear obligations, China can take its role in supporting the global economic system – a system based upon transparency, respect for property rights, and adherence to the rule of law.

We admire China’s rich history, appreciate its difficult and complex challenges, and support the aspirations of the Chinese people to make their country a safer, cleaner, and more prosperous nation.

And we believe that fairer trading policies and the promotion of the rule of law in China will not only benefit Americans, but the Chinese people as well.

Just last week, I applauded the announcement that Fuyao Glass Industry Group, a Chinese producer of auto safety glass, will redevelop the former General Motors plant in Moraine, Ohio.

This is a great example of how fair trade can benefit both sides, by giving a Chinese company access to our highly-skilled workforce and creating up to 800 new jobs for Ohioans.

But to truly have a fair trading relationship that benefits both sides, there must be a level playing field.

The Chinese government must do more to abide by its WTO commitments, protect the rights of workers, and support a clean environment.

The United States Trade Representative or USTR, which unfortunately could not send a representative here today, just released its 2013 Report to Congress on China's WTO Compliance.

And though it acknowledges some areas of improvement, it paints a sobering picture of the Chinese state's efforts to intervene in the economy and unfairly help Chinese businesses, despite its WTO commitments not to do so.

For example, China still has not agreed to the WTO Government Procurement Agreement. By not doing so, our businesses miss out on the opportunity to compete for potentially \$100 billion in government contracts every year. China has agreed to submit another offer this year, but progress has been frustratingly slow.

Another issue USTR noted in its report is China's imposition of duties in retaliation for countries bringing WTO cases against them.

In one of those cases involving grain-oriented electrical steel, China not only lost in a WTO challenge, but now appears to not be complying with the ruling.

I applaud the USTR's announcement on Monday that it is now requesting China to enter consultations in this case. One of those businesses impacted is AK Steel, and we are grateful that their General Counsel, David Horn, is here today to tell us more about this case.

Finally, China's currency manipulation continues to harm our workers and our economy.

A December 2012 report by the Peterson Institute of International Economics found that currency manipulation by foreign governments cost the U.S. between 1 million and 5 million jobs, increasing the U.S. trade deficit by \$200 billion to \$500 billion per year.

In 2012, our trade deficit with China broke \$300 billion for the first time and is expected to do so again when the 2013 figures come out.

These massive trade deficits are unacceptable and cost jobs in places like Toledo, Akron, and towns and cities all over this country.

That's why I've reintroduced the Currency Exchange Rate Oversight Reform Act of 2013 and urge members in both chambers to act swiftly on this measure.

I want to thank our excellent panel of witnesses for being here. I look forward to their thoughts on what more we in Congress and on this Commission can do to ensure China complies with its WTO commitments.

###