

Senator Todd Young
Questions for the Record
Senate Committee on Commerce, Science, and Transportation
Nominations Hearing
November 1, 2017

Question 1. Ms. Nikakhtar, Indiana is home to a significant number of auto manufacturers and their suppliers. U.S. auto industry has raised concerns regarding the European Union's effort to promote EU auto standards abroad at the expense of U.S. auto standards. If confirmed, I believe you would oversee the Automotive Team at the International Trade Administration. The Auto Team is charged with assisting automakers and their vast network of American suppliers to ensure broad acceptance of domestic standards across the globe as the European Union pushes their own standards. In recent years, ITA Automotive Team have been beneficial in ensuring acceptance of U.S. auto standards in regions such as Latin America, the Middle East, and Asia, where strides toward full acceptance of U.S. (FMVSS) auto standards have recently been made. Will you pledge to continue these efforts and ensure broad acceptance of domestic auto standards across the globe? Do you believe the ITA currently has the resources to effectively promote these standards globally? If not, I would like to work with the Administration to ensure they can achieve this mission.

Answer: I am aware of and fully support the ITA Automotive Team's efforts to advocate globally for the acceptance of vehicles and automotive parts built to comply with U.S. regulatory requirements. I am also well aware of the European Union's strategy to aggressively promote its regulations in bilateral and regional trade agreements and through its technical assistance programs. Third country adoption of EU regulatory requirements acts as a barrier to the importation of U.S.-made automotive products, and movement toward EU-style third party certification requirements reduce the competitiveness of U.S. products. Equivalent or greater safety or environmental performance can be achieved with comparable U.S. regulations and certification measures.

As you reference, the ITA Automotive Team, in close coordination with the ITA Standards Team, ITA's Standards Attachés in foreign posts, and interagency partners, has successfully rolled back movement toward the sole acceptance of EU regulations in various countries, including Ecuador, Morocco, Israel, and Chile. Additionally, the ITA Teams have been able to maintain acceptance of U.S. regulations in major markets such as the Gulf Cooperation Council (GCC) and Colombia. The ITA Automotive Team is also actively working to preserve or extend market access in Malaysia, Vietnam, the Philippines, India, Brazil, Argentina, and Costa Rica. These efforts involve engaging our trading partners in technical outreach on the U.S. regulatory system and advocating for acceptance of U.S. compliant products. This work must be sustained and strengthened. If confirmed, I will ensure that ITA continues to use every available tool to combat the EU's influence on third country markets with respect to its auto standards. I will also evaluate how resources are allocated to maximize effectiveness of our mission.

I look forward to working collaboratively with your office and with the ITA staff, interagency partners, and industry stakeholders to continue to develop and strengthen our international strategy to maintain acceptance of U.S. compliant vehicles and parts globally.

Question 2. The number of countries that accept motor vehicles certified to U.S. auto safety standards has been declining in recent years. This trend is due in part to successful efforts by the EU to persuade other countries to accept vehicles certified to their standards. I understand that the U.S. negotiators are making a concerted effort to “lock-in” acceptance of U.S. vehicles in the NAFTA talks and that the acceptance of U.S.-certified vehicles will be one of the topics discussed during the KORUS talks. Will you work to ensure U.S. auto safety standards are adequately addressed in future free trade agreement negotiations?

Answer: If confirmed, I will work to ensure that acceptance of U.S. automotive safety standards is a priority in all ongoing and FTA discussions. Better leveraging our FTA negotiations can be an effective tool in combatting the EU’s efforts to promote its auto safety standards (to the detriment of U.S. standards), and to avoid broader global automotive regulatory fragmentation.

I fully support U.S. negotiators’ efforts to secure commitments to accept automotive products engineered to U.S. safety standards as part of the NAFTA renegotiations. Although both Mexico and Canada currently accept U.S. automotive products, achieving this commitment as part of a renegotiated NAFTA will set a vital precedent and model for future U.S. FTAs, mirroring the approach used by the EU in all of its recent FTAs. Doing so will also send an important commercial and political message of North American solidarity and help facilitate efforts for the NAFTA countries to jointly pursue recognition of those safety standards in other markets.

I also recognize that, despite the existence of KORUS, U.S. automotive exports continue to face significant regulatory hurdles in South Korea. If confirmed I will closely monitor the ongoing KORUS discussions and make sure that progress on automotive standards is a top priority.