

Opening Statement of Catherine A. Novelli
Nominee to be Under Secretary of State for Economic Growth, Energy
and the Environment
Before the Senate Committee on Foreign Relations
December 11, 2013

Thank you Chairman Menendez and Ranking Member Corker, and all the Members of this Committee. It is a great privilege to appear before you today as the nominee for Under Secretary of State for Economic Growth, Energy and the Environment. I am humbled by the confidence that the President and Secretary Kerry have placed in me by nominating me for this position.

I would like to introduce my husband, David Apol, who, along with my daughter Katerina and son Daniel, has been a constant source of support, and inspiration over the course of my career. Katie and Daniel wanted to be here today, but their plan was disrupted by their end of semester exams at school. I would also like to pay a special tribute to my parents, Albert and Virginia Novelli, both first generation Italian Americans who are a shining example of the opportunities this county presents to succeed through determination and hard work. My dad, who passed away this summer, was a World War II veteran and his 30-year career in service to his country was a lesson for me in the value and reward of public service.

I am excited about the prospect of returning to government to serve. If confirmed, I hope to bring a very practical perspective to policy making and implementation of policy based on my work in both the public and private sectors. In my more than 20 years of public service, primarily at the U.S. Trade Representative's Office and also at the Department of Commerce, I learned how important clear and transparent rules of the road are for U.S. companies seeking to

sell products or invest. I have also seen how clear rules promote growth in our economic partners and thus create jobs for Americans. For the past almost seven years, I have had the honor of working for Apple, and have experienced first hand the challenges that face one of America's most innovative companies in order to compete in markets around the world.

President Obama has made clear that our number one goal must be to promote growth, create jobs and strengthen the middle class. If confirmed, furthering U.S. competitiveness will be my top priority. The State Department has an important role to play in these efforts by insisting on written rules of the road for all global economic players, and helping to create a level playing field through muscular advocacy for U.S. companies.

Already, the State Department has made it a top priority to assist U.S. businesses to win contracts overseas. If confirmed, I will continue to mobilize the State Department – from our most senior officials on the 7th floor to our over 1100 economic professionals in Washington and the field – to conduct aggressive advocacy on behalf of American firms.

I understand well from my experience in government and the private sector that doors are not always open to American exports. Our strength has been to negotiate agreements with our partners where the rule of law prevails. If confirmed, I will be a vigilant and relentless advocate to enforce our international agreements to open markets, combat unfair subsidies, and protect the intellectual property of American companies. These principles have made the United States strong and a fountain for global growth that in turn benefits American workers. Smart diplomacy backed by unambiguous enforcement of international agreements fosters the competitive markets that play to America's strengths.

Working with countries on agreements to increase trade and level the playing field for investment will also be essential to unlocking barriers to U.S. growth. As Secretary Kerry has stated, the more American firms sell abroad, the more they are going to hire here at home. And since 95 percent of the world's customers live outside of our country, we have to make sure our firms can compete in those increasingly growing markets.

If confirmed, I will also make it a priority to ensure that the State Department fully and effectively integrates our energy security, environmental, and commercial policies to best support our broad national interests. The International Energy Agency estimates that the world will need nearly \$17 trillion in power sector investment alone through 2035. Almost \$10 trillion of this amount will go toward power generation. The types of energy investment decisions countries around the world make over the next 20 years will have powerful impacts on our energy security, environment and America's exports and commercial prospects. If confirmed, I will promote a fully integrated approach in these areas aimed at identifying the policies that best support our broad national interests.

Energy and national security are clearly entwined. We have seen that with the smart and aggressive implementation of the sanctions on Iranian oil exports that were developed by this committee. In today's world, good diplomacy must embrace the energy dynamics so fundamental to global wealth and power. If confirmed, I will work to ensure that U.S. foreign policy leverages to our benefit the complex and shifting geopolitics sparked by the energy revolution that began in the United States -- so that our national security, our energy security, and our economic prosperity is advanced.

The intersection between U.S. energy security, economics and environment also extends to policies surrounding the world's oceans. Oceans cover almost three quarters of our planet. They are vital resources -- for food, for transportation, and for energy. The oceans play a role in regulating our climate and our weather. Over one third of the world's population lives in coastal areas and more than one billion people worldwide rely on food from the ocean as their primary source of protein. Many jobs and economies around the world depend on the living marine resources in our oceans. Oceans also inspire awe, wonder and delight from teeming coral reefs in the Caribbean to the haunting beauty of the songs of the humpbacked whales. Oceans are a priority for the State Department and if confirmed, they will be a priority for me as well. I will make it a priority to engage with our partners across the U.S. government and around the world, other stakeholders, as well as the Members of this Committee to ensure that our oceans are healthy and sustainable and we are striking the right balance in this important area.

In all of these areas – business, energy and environment, U.S. ingenuity and creativity has played a critical role. My work at both USTR and Apple has convinced me of the importance of doing everything within my power to support innovation and entrepreneurship. Innovation and entrepreneurship have fueled American economic growth since the founding of our country. For example, in an area with which I am very familiar, an independent economic study traced the creation of over 750,000 U.S. jobs in the past five years just to the App economy alone. With so much at stake, if confirmed, I plan to make promoting the policies that will keep markets open for our scientists, inventors and creators a key focus of my tenure at the State Department.

The U.S. Senate has been an important partner for the Administration on a broad range of economic policy issues, including on the ones I just mentioned. I welcome the insight the members of this committee bring to our international economic challenges, and if confirmed, I hope to work closely with you in support of our country's economic interests.

Thank you for considering my nomination. I would be pleased to answer any questions you may have.