



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
Monday, April 3, 2006

Contact: Carol Guthrie
202-224-4515

**“After the Dubai Deal: International Trade and Cargo Security”
Trade and Security Forum
Opening Statement of Senator Max Baucus**

Thank you for joining us today. I'm pleased to welcome everyone to this forum on international trade and cargo security.

I'm especially pleased to welcome our distinguished panel of experts.

Our panelists have long experience in international trade, port operations, and cargo security. They will provide insight on the difficult balance between facilitating international trade and ensuring homeland security. I look forward to their ideas and analyses.

The Dubai ports controversy shined light on port security issues that previously languished in relative obscurity. It certainly touched a nerve among the American public, and those of us who represent them.

We must make sure that our ports remain safe. But we must also make sure that we strike the right balance between security and economic health.

We can only achieve that balance if we answer the questions on Americans' minds. Do we want foreign companies operating our ports? Does this imperil our security? Whom do we want screening our cargo? And how much of it should be screened?

We will probably take about 90 minutes today to address these questions. Over those next 90 minutes, 1,900 containers will arrive at our nation's ports, holding more than three million tons of freight.

Over the next 90 minutes, more than 5,200 semi-trucks will cross our borders from Mexico and Canada. Seven trains pulling a total of over 300 full rail containers will also cross.

Over the next 90 minutes, 19,000 passengers will arrive and depart from our nation's airports. Another 53,000 will cross the border from Mexico and Canada.

--more--

By day's end, 164 cargo vessels will have called at our ports. One airport alone — JFK in New York — will have handled \$350 million in air cargo.

Each ship, each semi-truck, each container, and each package that arrives in these 90 minutes is part of an immensely complex and integrated supply chain. Those supply chains tie suppliers in every corner of the world to multiple manufacturers, who are in turn tied to retailers. None of them have time, money, or customers to lose.

Every day, a single auto factory has to organize 800 deliveries. Those deliveries come from 300 different makers. Those deliveries meet up at 12 different assembly points. No delivery can be more than ten minutes late.

A single clothing designer has to organize materials, seamstresses, shippers, marketers, and retailers. The designer makes ideas jump from sketchpad to storefront window in 14 days flat.

Today, everything that American manufacturers need arrives just in time. That keeps inventories of parts, materials, and products to a minimum. That means that American companies can spend \$1 trillion less on inventories now than they did 20 years ago.

This intricate web of moving parts feeds into an even bigger picture — the booming world of international trade. I have worked hard to make international trade a positive and prosperous reality for Americans. Goods arriving at our borders over the next 90 minutes face an average duty of just four percent. And I have worked to see that our exports face low barriers abroad.

Americans have prospered from international trade. Trade has grown from one-tenth of our nation's economy in the 1950s to about a quarter today. Trade has boosted our nation's income by nearly \$1 trillion. And trade has raised household incomes by nearly \$10,000 every year.

It is our task today to examine the importance of every mode of transportation to that international trade. It is our task to examine the supply chains that depend on them, and the prosperity that they create.

But we must also ask: What if it all stopped?

What if it all stopped for 90 minutes? For a day, a week, or months on end?

We know that this could happen. We know that it would be costly. And we know that we are not prepared.

I believe that we can strike a balance that neither makes short-term economic gain paramount, nor sacrifices the prosperity and the interdependence that we value.

Ultimately, I believe that we must give these issues the time and thoroughness that they deserve. And I believe that we must recognize the urgency of securing our nation.

Let's ask the right questions. Let's find the right answers. And let's get to work.

###