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Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the President's 2011 Trade Agenda
As prepared for delivery

Ralph Waldo Emerson once said:

“To map out a course of action and follow it to an end requires courage.”

As any Montanan knows, you must understand the lay of the land before you can map out a course of action. You must see the mountains, the valleys, and the rivers, and more than anything else, you must have courage to face the challenges that lie ahead.

The President's trade agenda sets an ambitious goal – to double U.S. exports by 2015 – but it will take courage, from the Administration and Congress, to map a course of action. And it will take even more courage to follow that course until we reach that goal.

To do so, we must take two major steps. We must approve our pending free trade agreements, or FTAs, and we must meet the challenges China presents.

First, it is time to quickly resolve the outstanding issues in our pending FTAs with Colombia, Panama, and Korea, and we must approve all three agreements this year.

Colombia has a strong and growing economy, it is among the largest markets in Latin America for U.S. exporters, and it is a strategic partner in our fight against drug trafficking and terrorism.

I traveled to Colombia two weeks ago. I met with President Santos, his ministers, Colombia's top prosecutor and labor leaders. I was struck by the progress that Colombia has made in strengthening labor rights, reducing violence and stepping up prosecutions.

Colombia has enacted reforms to make it easier for workers to form unions and bargain collectively. It has reduced the homicide rate of union members by nearly 90 percent, and it is prosecuting labor violence cases identified by Colombian labor unions as top priorities.

But more steps are needed, and President Santos has begun to take them. I believe that he is willing to work with us to take more steps, but he needs to know what we want him to do. We must map a course, and we must act now.

American farmers lost \$1 billion in sales to Colombia over the last two years. And while China has tripled its share of the Colombian market, ours has declined by 20 percent. American jobs are at stake.

Last month, Senator Hatch and I sent a letter asking you to come to the hearing today prepared to discuss the specific issues that Colombia and Panama need to address, and we asked you to come prepared to announce an expeditious timetable for moving these agreements through Congress. We look forward to discussing both issues this morning.

We must also consider the U.S.-Korea Free Trade Agreement. President Obama mapped out a course of action for this agreement last June. He and South Korean President Lee pledged to resolve U.S. concerns regarding access to the Korean beef and auto markets. In December, the United States and Korea reached an agreement resolving U.S. concerns on autos. The President promised to keep working on beef, but we do not yet have an agreement.

We know this course of action is challenging, but our goal is achievable. We are simply asking Korea to consult with us on a roadmap to full market access in the future. I urge you to follow the course of action that the President set out last June until we reach this goal.

This course of action to approve the pending FTAs will succeed only if we ensure that all Americans will benefit. We must extend Trade Adjustment Assistance to keep American workers and businesses globally competitive.

In addition to the pending FTAs, there is a second step in achieving our goal of doubling U.S. exports. We must map a course of action that leads to a stable and dynamic economic relationship with China. Ambassador Kirk, under your leadership, USTR has taken affirmative steps to compel China to abide by its international commitments. You initiated the first safeguard action against a surge of Chinese imports, you brought a WTO case to end China's wind power subsidies, and you challenged China's improper export restrictions of critical raw materials.

But more steps must be taken - additional problems remain. One U.S. company estimated that only 25 percent of its software in China is legal, and economists have estimated that China's currency manipulation may cost up to 1.4 million U.S. jobs. I look forward to helping you map a course that navigates these challenges.

As Emerson said, it requires courage to map a course of action and follow it.

So let us summon the courage to resolve the outstanding issues with the pending FTAs and approve them this year. And let us summon the courage to address the challenges in our economic relationship with China. By doing so, I believe that we can achieve the goal of doubling our exports and creating the jobs our economy needs.

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