



Committee On Finance

Max Baucus, Ranking Member

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OPENING STATEMENT OF SENATOR MAX BAUCUS
FINANCE COMMITTEE HEARING ON IMPLEMENTING THE
UNITED STATES-SINGAPORE AND UNITED STATES-CHILE FREE TRADE AGREEMENTS

I am pleased to be here this morning as we kick off the process of formally approving and implementing the Singapore and Chile Free Trade Agreements (FTA). These agreements have been many years in the making. Work began under the Clinton Administration and continued under the Bush Administration.

These are the first agreements to be completed since we passed the Trade Act of 2002. They are the first to be held to the new and progressive standards included in the renewal of Trade Promotion Authority (TPA). And – by and large – I think these two agreements stack up fairly well against the many requirements set by Congress.

I have long been a supporter of trade with Singapore and Chile. I have visited both countries with trade delegations of Montana business people.

Even before we passed the TPA bill last year, I introduced legislation to grant fast-track specifically for a Chile or Singapore agreement. I am glad that my work and that of so many others has brought these agreements before us today. Open trade with Singapore and Chile means opportunities for American farmers, workers, and companies. I know they are eager to compete. These agreements will give them the level playing field they need to succeed.

Just this month, for example, Chile issued a decree granting reciprocal recognition of U.S. meat inspections. With this important development, Montana's world-class ranchers now have the access to Chile's growing market that they deserve. The agreement will also eliminate the artificial disadvantage American wheat growers now face when competing with Canadian growers for sales in Chile.

These two agreements break new ground on a host of important issues – from intellectual property, services, and e-commerce to labor and environmental standards. They promise to usher in a new era of enhanced economic ties between the United States and each FTA partner.

United States banks will, for the first time, have access to Singapore's extensive ATM network. Starbucks Coffee will soon be opening a store in Santiago, Chile – its first in South America. U.S. automakers will be able to sell cars in Chile without facing a prohibitive luxury tax.

For these and so many reasons, many people have described the U.S.-Singapore and U.S.-Chile FTAs as a “model” or a “template” for what the United States hopes to achieve in future free trade negotiations. I certainly agree that these two agreements set a new standard – one in which I am proud.

That does not mean we should view these agreements as a ceiling – or as a one-size-fits-all solution for every country. There is always room for improvement in trade agreements. We should not hesitate to push for “Chile and Singapore plus” as we pursue FTA negotiations with new partners. And we should always be adapting our agreements to the conditions in different partner countries.

I have done it before, but I want to congratulate again Ambassador Zoellick, Ambassador Allgeier, and all our negotiators who have worked so hard on these agreements. Congratulations to you all and thank you for a job well done.

Now the ball is in our court here in Congress. These agreements will be the first test of the updated fast-track procedure adopted in the Trade Act of 2002. More importantly, they are the first test of the bipartisan consensus that made it possible to renew TPA.

I want to see these two agreements pass both Houses with wide, bipartisan majorities. I see that as an entirely achievable goal. To achieve it, we must work together, in a bipartisan manner, to draft implementing legislation accurately reflecting the agreements. We must also make sure that we have a meaningful and transparent legislative process.

I know Chairman Grassley is committed to an open process, and I commend him for that. Both Members of Congress and the public must be able to see and have confidence in our work. I stand ready to do everything in my power to make the necessary legislative process both meaningful and timely. I look forward to seeing these agreements enter into force at the earliest possible dates.

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