



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Trade Preference Program Reform**

The Book of Luke says: "From everyone who has been given much, much will be required."

Our great nation has been given much. Every time I go home to Montana, or travel around the country, I am struck by our fertile soil, our rich natural resources, and our talented workforce.

And we have made much of what we have been given. American farmers and ranchers have used our fertile soil to reap bountiful harvests and produce delicious American beef. American engineers have harnessed our natural resources to bolster our domestic energy supply. And American entrepreneurs have employed our talented workforce to drive this country's ingenuity and growth.

We have been blessed. And we have been given much. But much is also required of us.

We must use what we have been given not only to help ourselves, but also to help others. And our trade preference programs do just that.

Since 1974, this country has maintained trade preference programs that give developing countries duty-free access to the U.S. market. These programs recognize that not every country has been given the vast bounty that we have been given. And these programs respond by lending a hand, not a handout. The benefits that these programs provide encourage investment, boost production, and increase employment. They help developing countries help themselves.

But our preference programs face an uncertain future. Three of these preference programs -- the Generalized System of Preferences, the Andean Trade Preferences Act, and the Caribbean Basin Trade Partnership Act -- expire later this year. And one of our preference program beneficiary countries -- Haiti -- witnessed unprecedented devastation earlier this year.

We must lend a hand. We must assist Haiti's earthquake recovery efforts by creating additional incentives for investment in Haiti's apparel sector. We must extend our expiring programs. And we must begin the larger task of reforming all of our trade preference programs.

In the 35 years since Congress first passed GSP, the world has changed dramatically. Some developing countries, such as India and Brazil, have reaped the benefits of trade liberalization but continue to suffer from high unemployment and abject poverty. Others, such as Cambodia and Rwanda, look to export-driven growth and foreign investment to provide long-term stability as they continue their heroic recoveries from genocide. And others, such as Bangladesh and Afghanistan, struggle with disadvantages arising from political instability and lack of infrastructure.

We must transform our preference programs to reflect this changing reality. But as we modify these programs, we must also remember what successful reform means.

Successful reform means certainty. Beneficiary countries, investors, and the U.S. companies that rely on these imports need certainty that the programs will remain in place over the long term. Only then can they make the sound production and investment decisions that will lead to increased development and poverty alleviation.

Successful reform means meaningful and enforceable eligibility criteria. We must, for example, ensure that our preference programs encourage strong labor standards, even as they improve economic standards. And we must enforce the eligibility criteria systematically and regularly.

Successful reform means benefits for the countries that need them the most. We must provide generous benefits to least developed countries like Cambodia that are using economic development to create social and political stability.

And successful reform means programs that work. We must streamline operational provisions, such as rules of origin, to eliminate the current patchwork of rules that are hard to implement and harder to enforce.

So let us come together to speed Haiti's earthquake recovery, extend our expiring programs, and enact successful preference program reform. Let us remember all that we have been given. And let us remember all that is required of us.

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