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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the 2013 Trade Agenda and Job Creation**
As prepared for delivery

The English philosopher Sir Francis Bacon once said, "A wise man will make more opportunities than he finds."

By that standard, the United States has been very wise, crafting a significant trade agenda that provides many new opportunities for our nation. We must now be aggressive, seize these opportunities and create more than we find.

An aggressive trade agenda is key to boosting our nation's economy and creating good-paying jobs in my home state of Montana and all across America. Export-related jobs pay 13 to 18 percent more than the national average. These are good paying jobs in factories, on farms and in facilities all across the U.S. By being aggressive, we can build on the success achieved in the 112th Congress.

Working together, we passed three free trade agreements – with Colombia, Panama and South Korea. We extended the Trade Adjustment Assistance program. We renewed three important preference programs. And we helped U.S. exporters take advantage of Russia joining the WTO.

And by working together, we can achieve similar success now, in the 113th Congress. We can ensure that U.S. businesses, workers, farmers and ranchers reap the benefits of expanded trade through the many promising opportunities now underway.

These opportunities include the Trans-Pacific Partnership in Asia and the Transatlantic Trade and Investment Partnership in Europe. They also include a new services agreement and expansion of free trade in information technology.

Given this ambitious agenda, the need for Trade Promotion Authority is clear. TPA is a key negotiating tool and will help bring these trade agreements to a successful conclusion. It has been more than a decade since we renewed TPA and the world has changed in that time. Since 2002, U.S. exports of goods and services have more than doubled. America now faces a new set of economic priorities and challenges. The new TPA should reflect these realities. I'm pleased that the Administration has indicated its interest in working with Congress to get TPA done. Working together, we will pass this important trade legislation.

While we are expanding markets abroad, a competitive American workforce must be ready to help U.S. companies seize these opportunities. Since 1974, Trade Adjustment Assistance, or TAA, has been the

foundation for expanding trade. TAA has helped thousands of American workers, small businesses, farmers, and ranchers improve their competitiveness in the global marketplace.

Since 2009, approximately 800 workers at nearly 40 companies in Montana have been approved to receive TAA benefits. Nationally, more than 400,000 American workers have been approved for benefits. These are not statistics. We are talking about mothers and fathers with families to support.

TAA gives these folks the skills and support they need to get ahead in today's job market. TAA helps them land the good-paying jobs they deserve. And when they land that job, they often excel and succeed. In fact, 90 percent are still employed six months later.

TPA and TAA are two sides of the same coin making trade work. We need to renew and extend both of them this year.

Looking at opportunities across the Atlantic, I see the European Union, our largest trading partner. Today, 21 percent of U.S. goods and services exports go to the EU, supporting nearly 13 million American jobs. If we are aggressive, we can achieve much more. By simply eliminating tariffs, U.S. exports to the EU could increase by 17 percent, generating even greater economic growth and more jobs here at home.

But to tap into the opportunities of an EU agreement, we must first overcome some serious challenges. These include access for U.S. agricultural exports, such as beef and pork, and elimination of non-science based regulations.

Unscientific and unfair barriers to U.S. agriculture products put U.S. jobs at risk. In Montana, fifty percent of our economy is tied to agriculture. One in five Montana jobs is connected to ranching and farming.

I know America's ranchers and farmers produce the highest-quality products in the world. This is why I will only support a trade deal with the EU if it gives America's producers the opportunity to compete in the world's biggest market.

Looking at opportunities across the Pacific, I see Asia's fast growing economies. The Trans-Pacific Partnership, or TPP, will strengthen our ties with some of the world's most vibrant economies and burgeoning consumer markets.

Over the past decade, U.S. exports to TPP countries nearly doubled to almost \$700 billion in 2011. And Asia's share of world imports grew from more than 18 percent in 1983 to almost 31 percent in 2011.

The TPP countries' average GDP growth was more than two percentage points higher than the U.S. in 2010. With Japan's recent announcement of its desire to join the negotiations, the TPP could soon account for nearly forty percent of the world's GDP.

I was in Japan this past summer and met with former Prime Minister Noda and other leaders in an effort to strengthen trade ties. I am glad to see Japan is now interested in coming to the negotiating table on TPP, and I look forward to working with USTR to ensure Japan meets the high-level standards of this agreement.

Japan's inclusion would enhance the remarkable opportunity presented by the TPP to open a huge market to our world-class exports.

I'm hopeful we can build on the progress we recently made when Japan began accepting more U.S. beef exports. Now we must make every effort to conclude the TPP this year.

While China is not part of the TPP negotiations, trade with the world's second largest economy also presents opportunities, as well as challenges.

I was encouraged to hear China's new premier Li Keqiang recently say his government is committed to strong relations with the U.S. and he sees a strong outlook for trade and investment between the two countries.

The U.S –China relationship should be mutually beneficial. But for this to happen, China must play by the rules. I continue to be concerned that China's currency manipulation costs U.S. jobs. So does China's failure to end the wholesale theft of U.S. patents, copyrights, trademarks and trade secrets.

And China has pioneered a practice — now copied by India and others — of requiring U.S. companies to transfer technology to domestic companies in order to gain access to its market.

We need to be on the offense and fight these unfair practices. We need to enforce existing agreements and develop novel approaches in new agreements. And we need to work with like-minded countries to push back against the theft of intellectual property.

At the end of the day, America's trade agenda is about one simple goal: jobs.

At a time when job creation must be our number one priority, a strong, aggressive trade agenda is one of the most powerful tools we have to put more Americans to work.

The opportunities are laid out before us. America must now take action, seize these opportunities and, as Sir Francis Bacon said, "make more than we find."

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