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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE OBAMA ADMINISTRATION'S TRADE AGENDA

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining the Obama Administration's trade agenda for 2013:

Mr. Chairman, thank you for holding today's hearing. As I'm sure you'd agree, congressional oversight is critical to ensuring transparency and accountability in the Executive Branch. So, I appreciate this opportunity to talk with the Administration in a public forum about their trade agenda.

International trade is critical to our economy. Trade supports more than 38 million jobs in the United States.

But we can do better.

Ninety-five percent of the world's customers live outside the United States and they account for 92 percent of global economic growth and 80 percent of the world's purchasing power. If we are going to access these customers, we need an aggressive trade policy and the tools to help put that policy in place.

Our record of bipartisan cooperation on trade is strong.

During the last Congress we worked together to pass seven trade bills, including our long-stalled free trade agreements with Colombia, Panama and South Korea. We also worked closely together to develop legislation to grant permanent normal trade relations for Russia while holding Russia accountable for its actions. I am hopeful we will be able to look back on a similar record of success at the end of the 113th Congress.

There certainly is reason for hope.

The Administration is forging ahead to complete negotiations for a Trans-Pacific Partnership agreement this year.

They also recently announced their intention to launch negotiations with the European Union on a comprehensive trade agreement.

Furthermore, expansion of the Information Technology Agreement, which would lower taxes and tariffs on information technology projects to zero, and conclusion of an agreement on trade facilitation hold great promise.

Conclusion of an International Services Agreement could also expand opportunities for U.S. workers and job-creators. The United States is a dynamic service provider. Unfortunately, to date, U.S. exports of services have not even come close to reaching their full potential. This agreement could increase trade in services by another \$600 billion per year.

These are all ambitious undertakings and, if successful, they will make a major contribution to U.S. economic growth.

Our future does indeed look bright.

But there are also a few significant storm clouds on the horizon.

Many of the toughest parts of the Trans-Pacific Partnership negotiation have yet to be resolved, including market access for dairy, sugar, and textiles. The Administration is still contemplating including product-specific carve-outs within the agreement, a dangerous proposal that could be used as a precedent to exclude other products from coverage in this and future agreements, thereby diluting their commercial benefits. Such an irresponsible proposal threatens to undermine decades of U.S. trade policy for no discernible purpose.

And, the Administration's trade policies with regard to patent protection remain vague, particularly with respect to the term of protection for biologics. How these issues are resolved will go a long way towards determining whether I and my colleagues will be able to support the final TPP agreement.

Additionally, while a potential EU agreement holds much promise, it must be comprehensive, result in real regulatory harmonization, and reflect the highest standards of intellectual property rights protection if it is to gain the strong support of Congress. Our past negotiations with the European Union have shown just how difficult this task can be.

Let's hope that we can get it done this time.

President Obama will make two key decisions in the near future which will help determine the success or failure of his trade agenda.

First, the President must nominate someone to serve as the United States Trade Representative who has the trade expertise, political savvy and leadership skills necessary to effectively lead the agency.

Today, morale at USTR is at an all-time low. Ill-conceived proposals by this administration to have the agency subsumed into the Department of Commerce reveal a complete lack of understanding regarding both the structure and purpose of the agency.

Sadly, rumors persist that the President may nominate as his next Trade Representative the chief architect of this proposal to end USTR as we know it.

I hope that is not the case. Following through with this proposal would send a very negative signal to both our career negotiators and our negotiating partners. If the United States is to be taken seriously on trade policy around the world, we need a real leader at USTR who understands the agency and is capable of navigating the difficult shores of international trade negotiations.

Second, the President needs to work with Congress to renew Trade Promotion Authority.

Almost one year ago to the day, Ambassador Kirk testified before this committee that USTR would engage with Congress on the steps needed to implement a new Trade Promotion Authority. Despite my offer to begin negotiations that very day, no steps have been taken by this Administration to engage Congress on TPA.

No meetings, no discussions, no exchange of ideas – nothing.

Now, the President's 2013 Trade Policy Agenda says the President will work with Congress on Trade Promotion Authority. I take this promise as a sign of progress, but we have already wasted four years.

TPA could have been done a long time ago. We can't afford to waste any more time.

There is much work to be done for this ambitious trade agenda to succeed. Launching negotiations is one thing. Closing high standard agreements that Congress will support and pass is a completely different undertaking.

I hope this President and this Administration are up to the task.

Ambassador Marantis, I look forward to your testimony today, and to working with you and the next U.S. Trade Representative to advance our shared goals of opening foreign markets, enforcing our trade laws, and creating even greater economic opportunities for this and future generations. Thank you, Mr. Chairman.

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