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January 27, 2015

WYDEN: TRADE MUST WORK FOR MIDDLE-CLASS AMERICANS

Hearing Statement As Prepared for Delivery

Thank you, Chairman Hatch, and thank you, Ambassador Froman, for being here today. My bottom line on how the U.S. can improve its trade policy is this:

Today's global economy moves at a million miles an hour, so clinging to yesterday's outdated trade policies is a loser for the millions of middle-class American workers counting on political leadership to help create more high-skill, high-wage, middle-class jobs.

Trade agreements need to bulldoze barriers and open new markets to exports made by America's middle class – the things we grow or raise, build or forge. Done right, trade agreements can help grow the paychecks of middle-class families. That will help take our economic recovery from a walk to a sprint.

According to a report by the Commerce Department's International Trade Administration, many export-driven jobs – from precision welding to engineering design – offer higher pay and more generous benefits than jobs that aren't tied to exports.

Workers who design and build products like machinery, electrical gear or transportation equipment get into the winners' circle when the goods they make are exported. The goal of trade agreements should be to take the fruits of American labor and ship them to markets around the world.

With that said, it's easy to understand why many American workers are frustrated when they haven't gotten a meaningful raise in decades – or worse, they've lost jobs and fallen out of the middle class. When discouraged Americans argue that they've been hurt by trade, their voices should not be ignored. They must be heard. Those who favor a trade agenda that takes on the challenges of a hyper-competitive global economy have a responsibility to make the case that it will work for America's middle class.

I bring that up because the President said during the State of the Union address that, "...past trade deals haven't always lived up to the hype."

So, Ambassador Froman, I'd like you to outline today how the administration plans to change that with fresh trade policies that will lift wages, help create middle-class jobs, and expand the winner's circle.

I hope to discuss what safeguards will be in place to ensure that any workers impacted by trade have access to retraining, health coverage, and other sources of support that connect them with new

opportunities. And perhaps most importantly, I hope to hear how the administration will make the case to America's workers that these modern policies will deliver for them.

To keep my remarks brief, there are a few specific issue I'll address.

The first is tough enforcement. There has never been a greater need for the U.S. to back its workers and businesses by strongly enforcing our trade laws and agreements. And in the face of unfair schemes by foreign governments and companies that undercut American jobs and exports, trade enforcement works.

Just ask any one of the hundreds of Oregonians who work at SolarWorld, a solar-panel manufacturer in my home state. When Chinese companies made an end-run around our trade laws that threatened SolarWorld and its employees, SolarWorld fought back and won. That victory preserved 900 good Oregon jobs. And American trade enforcers have to keep at it, because China and other governments won't stop trying to get around the rules anytime soon.

With 21st century trade agreements, tough enforcement also needs to hold foreign governments accountable for commitments to uphold strong labor rights and environmental protections. Those are bedrock elements of trade agreements, and they are not to be ignored or pushed to the periphery.

The second issue to address is technology. Just as containers changed trade in the 20th century, the Internet is changing trade in the 21st, enabling more efficient ways to exchange goods and services internationally. Three decades ago, an entrepreneur with big dreams in a place like Mt. Vernon, Oregon – a small town of 500 – didn't have the Internet as a means to access global consumers. Today, that entrepreneur does. And that access could be direct or through Internet platforms, which could include eBay, Amazon, and Etsy.

The nation's trade policies must take advantage of economic areas where there is clearly "Advantage USA." That means promoting and protecting a free and open Internet -- keeping open what is, in effect, the shipping lane of the 21st century.

The third issue to address today is transparency. The American people have made it very clear that they will not accept secretly-written agreements that don't see the light of day until the very last minute. That was too often the way things worked in the past, but that's not good enough anymore. Nor is it enough to respond to important questions with the same inadequate refrain: that Americans will benefit from trade deals. People have the right to know what's at stake in negotiations before they wrap up. Our trade policies are stronger when the American people are part of the debate – and when their elected representatives in Congress are able to conduct effective oversight.

Furthermore, transparency is also critical for a trade promotion authority bill. Once a bill is ready, it must be available to the public. And there must be a fair and open process for its review and consideration. I will work with Chairman Hatch to develop a process along these lines.

No matter where members of this committee stand, I know everyone here is ready to have a serious debate on how to make trade policy work best. My focus will be on finding new opportunities to sell red, white and blue American goods overseas, helping businesses create jobs, and growing the paychecks for middle-class families. I'm eager to find ways for this committee to work on a bipartisan basis with the administration to accomplish those goals.