

Statement of Senator Mike Crapo
Senate Finance Committee
Subcommittee on International Trade, Customs, and Global Competitiveness
Exports' Place on the Path of Economic Recovery
December 9, 2009

Mr. Chairman, thank you for holding this hearing regarding "Exports' Place on the Path of Economic Recovery." Given the current economic challenges and the importance of exports to our economy, it is disappointing that the Administration has not more actively pursued an assertive trade agenda to help mend our economy. In fact, this Administration's trade agenda has been sluggish at best. Unfortunately, this slow pace is coming at the expense of U.S. job opportunities. Trade promotion is important, and the work the U.S. Foreign Commercial Service and others are doing to assist companies with accessing foreign markets commendable. However, while trade promotion is an essential part of our trade policy, it is not a replacement for an expansive, successful trade agenda that must include expanded market opportunities through the advancement of trade agreements, the removal of non-tariff trade barriers, and strong enforcement of existing trade commitments.

Thank you, to all the witnesses for taking the time to be here with us today to share your valuable insight regarding the importance of exports to revitalizing our economy and ways in which businesses may be better positioned to benefit from export opportunities. Tamara Harney, who represents HMI Worldwide, which has operations in Idaho and produces environmentally-friendly building insulation, kindly traveled here today to contribute to this hearing. This company serves as a great example of the kind of progressive ideas and products that are being exported from our communities all over the world and are helping address global needs.

The innovation and reach of U.S. products, including Idaho products, around the globe is impressive and encouraging. Idaho ranks second among states for the number of patents held per resident, and innovative Idaho companies are exporting far beyond our borders accounting for nearly \$790 million in exports for the first quarter of 2009. For example, PakSense, a Boise based company that produces labels that track the conditions of perishable goods during shipment, is exporting to Chile, with the assistance of the U.S. Foreign Commercial Service. Another Boise based company, PCS Edventures, which provides engineering and science-based enrichment curriculum for children in K-12, is exporting to South Africa.

Similar examples exist in every state. Unfortunately, despite these achievements, the number of U.S. companies exporting is alarmingly low. Exports account for a significant percentage of U.S. Gross Domestic Product (GDP), and jobs supported by exports pay statistically higher wages. Therefore, our nation must be doing all that we can to replicate export success stories and remove any hurdles impeding U.S. companies' ability to be compete globally. This hearing provides the opportunity to explore the

function of exports in our nation's economic recovery, our nation's current export promotion framework, and any impediments to broadening exports.

There is no better time to support the expansion of export opportunities and remove barriers to U.S. exports. This includes advancing the pending free trade agreements with Colombia, Panama, and South Korea that provide equal access to those markets for U.S. goods. When implemented, each of these agreements would provide substantial duty-free access for U.S. exporters and improved footing for U.S. producers in the global marketplace. It is counterproductive to promote job creation while idling these agreements. As we look at what is working in trade promotion and the challenges that lie ahead, advancing these agreements must be a priority.

I welcome this opportunity to highlight the importance of trade to our economy and share in this discussion.