

The Honorable Ron Wyden
Opening Statement
Subcommittee on International Trade, Customs, and Global Competitiveness Hearing:
Exports' Place on the Path of Economic Recovery
Senate Committee on Finance

December 9, 2009

The way the United States engages economically in the world is a critical factor of our economic recovery. It is an American imperative to create jobs and therefore an American imperative to expand exports. An exports strategy is a jobs strategy, and that's what this hearing is all about.

A fresh focus on export promotion is one way to grow the economy without growing the deficit. Our challenge is to make things, grow things, add value to things, and sell these goods to foreign consumers.

With so many Americans enduring economic hardships, the Congress is required to examine the policy and regulatory framework that is supposed to enable the engines of the American economy – hard work and enterprise – to thrive. Instead of powering economic growth, this framework has taken the American economy in the wrong direction.

Fortunately, Americans are resilient and we can chart a new course out of the economic carnage. Congress and the President can construct an economic structure that fully empowers workers and entrepreneurs to be successful in a global economy.

Government witnesses will testify today that exports have recently played a central role in growing the economy and are critical to creating and sustaining good-paying jobs. I also want to extend an extra warm welcome to Mr. Bob Beisner from SolarWorld, who can add an Oregon perspective to our discussion today.

When, in the past, worker productivity and wages grew right along with the GDP, it was easy to make excuses for a burgeoning trade deficit. Today, there are no excuses. The U.S. trade deficit has in recent years exceeded \$700 billion dollars. Exports' share of U.S GDP is less than half of what exports' contribution to the economies of other developed countries is. No public official can justify acceptance of this situation.

Knowing all of this, the Office of the U.S. Trade Representative and the Department of Commerce can't just keep on keeping on. Aren't there new approaches and opportunities to be seized that result in near- and long-term export and job creation opportunities?

In Tokyo last month, President Obama said that America must put “a greater emphasis on exports that we can build, produce, and sell all over the world. For America, this is a jobs strategy... These are jobs making everything from wind turbines and solar panels to the technology that you use every day.”

I agree with the President, and foreign markets are fertile ground to American-produced goods and services, especially markets that are rebounding more quickly and dramatically than our own. It is time to roll up our sleeves and create an Export Expansion Strategy.

The Strategy must include initiatives to eliminate trade barriers and unfair trade practices that dampen demand for U.S. exports. It must help American firms identify and exploit sales opportunities overseas, one focus of today’s subcommittee hearing.

Furthermore, an export strategy should establish clear targets and goals. My target: reduce our trade deficit in half by 2015.

Right now, the most generous estimates show that only 4 percent of U.S. companies export and just 500 companies account for 60 percent of U.S. exports. My target: double, in 2015, the percentage of U.S. companies that export.

In order to achieve targets like these, the federal government must provide the resources necessary to adequately finance any export promotion goals it establishes.

It should also deploy these taxpayer-financed resources wisely in order to maximize their impact.

There are bold opportunities to expand exports of manufactured goods, which are produced by workers in good-paying jobs. As one example, the global market for products that reduce greenhouse gas emissions is expanding dramatically – it doubled from 2004 through 2008.

For U.S. producers of these “environmental goods” this development is a boon, enabling them to expand domestic and foreign sales and create jobs.

Tapping overseas markets in this sector is critical, because over 80 percent of clean energy investments will take place outside of the U.S. Furthermore, much of the U.S. trade deficit is a result of oil imports so promoting the use and export of environmental goods serves a variety of purposes.

It is essential that we create a level playing field for U.S. producer to compete with their foreign counterparts. Right now, India and China assign an average tariff of up to 15 percent on solar technology components, and other developing countries impose tariffs that reach beyond 30

percent. U.S. tariffs on environmental goods are 1.75 percent on average. That's not a level playing field. So it is my view that tackling the significant tariff barriers that foreign governments impose in the environmental goods sector can make an immediate impact for U.S. producers.

Witnesses today will tell us that reducing tariffs is helpful, but is not a silver bullet to increasing production and exports of these goods, and many others. There are a variety of policies that need consideration, and today's discussion is just a start.

Ultimately, renewed consumption of U.S. goods is the best way to re-ignite the American economy. We can find much of this consumption beyond our borders.

As the Congress and the President discuss ways to further jump-start the economy to get America working again, we need to focus on export opportunities.

I look forward to hearing the testimony from today's witnesses and to a productive discussion about how to create jobs by establishing a coherent and compelling Export Expansion Strategy.