

# **Hearing on U.S.-EU Trade and Investment Partnership Negotiations**

Thursday, May 16, 2013, 2 p.m.  
1100 Longworth House Office Building

## **Opening Statement of Charles B. Rangel**

I want to thank the Chairman for holding this hearing on the Transatlantic Trade and Investment Partnership negotiations. The timing is just right: we are in the midst of the 90-day layover period following the Administration's notification that it intends to enter into these talks.

This time gives us the chance to think about the opportunities that this kind of deal could provide. Any reduction of foreign trade barriers has the potential to strengthen our economy, and in that sense this agreement is no different. Today, one third of all tariffs on U.S. exports to the world are paid to the EU. A successful TTIP would eliminate those tariffs.

But the bigger issue is "non-tariff barriers." An agreement with the European Union gives us the chance to address issues such as regulatory non-tariff barriers. There are certainly cases where these non-tariff barriers arise because of a desire to protect a

domestic industry. We should fight those. But some of our industries have pointed out that the EU and the United States have regulations that differ for no reason other than the fact that they were developed independently.

This agreement gives our regulators the chance to look at these regulations, and, where possible, work to make those regulations more compatible. There is an important caveat, though. We can only do this if it means that we are not lowering protections for our people in any way. This agreement can't be viewed as an opportunity to establish lowest-common-denominator regulations.

There's yet another way for our regulators to cooperate. It's possible that our regulators can work together to share burdens. Done properly, it would more than just hold the line of the health and safety of our people – it would actually improve the health and safety of our people. Let's look at inspections by the Food and Drug Administration. According to a recent paper by the Council on Foreign Relations, the FDA is tasked with inspecting more than 300,000 facilities in 150 countries. This is a daunting task, in terms of personnel and other resources. Our negotiations with the Europeans may provide an opportunity to see whether this

regulatory burden can be shared, perhaps through exchanging inspection results, or other information concerning public health risks.

But a successful TTIP negotiation will do more than simply improve our bilateral relationship. An agreement between these two global leaders – together accounting for nearly half of world GDP and 30 percent of world trade – gives us the chance to establish new rules and a new framework for global trade. Those rules should address critical issues that are not adequately addressed under existing arrangements. Some of these issues include:

- ensuring that exchange rates are not manipulated to gain unfair advantages in trade. The Europeans aren't currency manipulators, and neither are we, but we can work together to develop a standard that captures what is, or isn't, permissible in this area.
- ensuring that state-owned enterprises are not granted unfair advantages over private enterprises. We and the Europeans share the view that state capitalism puts our companies at a competitive disadvantage;

- ensuring that workers' rights are respected. There is usually a concern that our free trade agreement partners have a competitive advantage by not affording their workers the same rights that we afford ours. The Europeans are leaders in the area of providing workers with protections;
- ensuring that the environment is protected. Again, as is the case with workers, the Europeans already have high environmental standards. They understand that environmental degradation is not an acceptable price to pay for increased trade but that trade agreements and environmental protection go hand in hand;
- ensuring that intellectual property rights are protected. We have our differences in some areas, but we share the view that intellectual property rights foster innovation and therefore must be protected.

We can't delude ourselves – this won't be easy. The list of transatlantic trade issues over the years is a long one. We are all familiar with the aircraft wars and the concerns over sanitary and phytosanitary barriers. The Europeans are tough negotiators, and

there is no guarantee that we will succeed in reaching a deal that works for both sides, as it must. The EU negotiators will have to consult closely with the European Parliament and also the 27 member states, and our negotiators will have to consult closely with Congress and regulatory agencies.

At the same time, we should be sure to maintain our sense of the bigger picture. Our relationship with Europe is unlike any other. We have many common objectives and values. This agreement has the potential to raise the bar for the next generation of trade agreements, and we should capitalize on this opportunity. I look forward to hearing from our witnesses.