

# **House Ways and Means Committee Hearing on Hearing on President Obama's Trade Policy Agenda**

February 9, 2011

## **Statement of the Association of Global Automakers, Inc.**

Michael J. Stanton, President and CEO

The Association of Global Automakers (Global Automakers) respectfully requests that these comments be accepted as part of the formal record of the February 9, 2011 hearing on President Obama's Trade Policy Agenda. Among other things, this hearing focused on pending trade agreements with Colombia, Panama, and South Korea. Global Automakers supports enactment of the U.S.-Korea Free Trade Agreement (FTA) as well as the pending agreements with Columbia and Panama.

Global Automakers, formerly known as the Association of International Automobile Manufacturers (AIAM), represents global motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our members' share of total U.S. vehicle sales and production is 40 percent and growing. Global Automakers' companies have invested \$43 billion in U.S.-based production facilities, have a combined domestic production capacity of 4.2 million vehicles, directly employ more than 80,000 Americans, and create nearly 600,000 jobs for Americans at dealerships and supplier companies across the country.

Global Automakers has been a consistent advocate of free trade and open investment and supports the elimination of trade barriers and the expansion of free trade rules worldwide. A complex and multifaceted accord, the U.S.-Korea FTA establishes clear and predictable rules, avoids stipulating or "managing" trade outcomes, and creates a viable mechanism for handling disputes. Its approval will improve the global competitiveness of automakers in both countries and benefit consumers on both sides of the Pacific.

As the Committee is aware, enactment of the U.S.-Korea FTA will lead to the elimination of U.S. and Korean tariffs on imported motor vehicles and auto parts, the simplification and reduction of Korean taxes based on engine displacement, and an increase in the transparency of Korea's regulatory process. When fully implemented, the agreement will promote job growth by creating opportunities for increased reciprocal trade and investment between the two countries.

Reduced barriers to automotive trade has facilitated the expansion of auto markets worldwide and benefited all consumers. Because of the global nature of automotive trade, Global Automakers also supports efforts to develop a broader trade pact like the Trans-Pacific Partnership (TPP) Agreement and urges its speedy and successful negotiation.

We appreciate the opportunity to comment on the historic U.S.-Korea FTA and encourage Congress to approve the agreement at its earliest opportunity.