

**Statement For the Record
Trade Subcommittee Chairman Kevin Brady,
Committee on Ways & Means**

Hearing on President Obama's Trade Policy Agenda

February 9, 2011

For the past two years, many of us have been wondering what role trade plays in the Obama Administration's overall economic and foreign policy. While the Administration has been hesitant on the issue, American businesses, farmers, and ranchers are falling behind as other countries move forward without us, costing valuable customers – and jobs. American workers are the most productive in the world, and our goods and services exports are among the most coveted globally. We in government should not stand in the way. We should instead assist by providing a viable framework so Americans can take advantage of these comparative advantages abroad. This requires a forward-looking trade policy that seeks to open new markets and improve market access in existing ones.

Expanding opportunities for U.S. exports and workers is vital to jumpstarting the U.S. economy and promoting vibrant job creation. The three pending trade agreements, which have remained in limbo now for almost four years, require immediate action. The President's leadership on the U.S.-South Korea agreement helped to forge a bipartisan consensus on the auto issues and has brought the agreement closer to completion. Unfortunately, I cannot say the same about the Panama and Colombia agreements. The President and Administration officials have sent mixed messages – some forward-leaning, some back-pedaling. The President should move forward on Panama and Colombia, given the significant benefits these agreements present to American exporters, workers and consumers, and submit the agreements for Congressional consideration within the first six months of this year. Supporting such vehicles of job-creation is vital for the President to reach the goal of the National Export Initiative – to double exports in five years. Promptly moving both of these agreements would also shore up our strategic allies and put to rest efforts from the likes of Hugo Chavez, who capitalize on the lack of U.S. commitment to the region.

The expansion of market access opportunities for U.S. goods and services exports can't stop with these three agreements. The Doha Round of WTO negotiations, for example, has been ongoing since 2001 at a snail's pace. The Bush Administration and now the Obama Administration have faced tough demands from trading partners who are unwilling to put forward sufficiently ambitious proposals on areas that are important to us. We stand firmly in support of the Administration as it steps up pressure on our trading partners to be more ambitious. A multilateral trade agreement should be our highest priority because it could produce the broadest benefits. I urge the President to do

whatever is in his power to reinvigorate the process and bring home a deal that will allow America to sell more easily to the world.

We must also move ahead on new initiatives. Other countries are aggressively seeking new trade agreements, opening up markets, and reaching investment agreements around the world to drive exports. In contrast, we have only one active trade agreement negotiation, which began under the prior Administration, and our investment treaty negotiations are on what seems to be a permanent hiatus. We are falling behind at a time when we must be opening up new markets for new customers for our products and services.

Finally, while we press our trading partners to comply with their trade obligations, we must comply with ours. The most obvious reason, of course, is that we must avoid crippling retaliation like we're facing in the NAFTA trucks dispute. But equally important, we must show leadership by example. We can't credibly ask China to comply with its obligations if we're not complying with ours.

Global economic conditions have caused significant fluctuations in trade flows during and in the aftermath of the global financial crisis. Unacceptably high unemployment in the United States has shaken the faith of many Americans in free markets and trade. But just because our trading partners compete with our goods and services abroad should not persuade us to close our borders. In fact, the opposite is true. Our economy is too integrated globally with complex supply chains for us to survive such a unilateral withdrawal. We cannot stand by and allow our inaction to make us fall further behind. The United States remains the most open market in the world, and we must ensure that markets abroad are similarly open to U.S. exports. The only way to do that is to show leadership on international trade and demonstrate to the world that the United States will follow through on its pending agreements, enforce its rights, and live up to its own obligations.