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United States Trade Representative  
Opening Statement  
House Committee on Ways and Means  
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Mr. Chairman, Ranking Member Levin and Members of the Committee, thank you for inviting me here today to testify on the President's 2013 Trade Policy Agenda. There is a long tradition of partnership between the Ways and Means Committee and USTR. I plan to continue this tradition as I begin my tenure as USTR.

As President Obama's advisor on international economic issues for the past four years, I have had the opportunity to work with some of you on a number of initiatives, including those that are now my focus full-time: opening markets for American goods and services and, in doing that, supporting jobs here at home. Increases in U.S. exports since 2009 have supported more than 1.3 million additional American jobs and have accounted for more than one-third of U.S. GDP growth over this period.

I am pleased that you invited me here today, because there is so much more that we need to do together.

As President Obama has made clear, our focus must be to promote growth, create jobs and strengthen the middle class in the United States. USTR can contribute to this effort in three main ways:

First, by opening markets around the world so that we can expand our exports;

Second, by leveling the playing field so that our people can compete and win in the global economy; and

Third, by ensuring that the rights and trade rules we have fought so hard for are fully implemented and enforced.

Trade policy, negotiated and enforced vigorously to reflect both our interests and our values, gives our workers, farmers and ranchers; manufacturers and service providers; innovators, creators, investors and businesses of all sizes the best chance to compete around the world.

The President has laid out one of the most ambitious trade agendas ever, and we at USTR are committed to getting it right.

Last week, U.S. and EU negotiators completed the first round of Transatlantic Trade and Investment Partnership – or “T-TIP” – negotiations, with the ultimate goal of reaching an agreement that enhances what is already the world's largest trading relationship.

And as we speak, USTR negotiators are in Malaysia hard at work negotiating the groundbreaking Trans-Pacific Partnership, TPP, a 21<sup>st</sup> century agreement that raises standards and introduces new disciplines beyond any agreement negotiated before.

And, at the WTO, we are working on fresh, credible ways to energize multilateral trade liberalization. Our services negotiators are hard at work negotiating a high-standard Trade in Services Agreement that will allow our already competitive service providers to compete for global business on a more level playing field, on a basis of quality and competence rather than nationality. And we are working to negotiate trade facilitation and information technology agreements. These negotiations are designed to strengthen the multilateral, rules-based trading system by introducing into its bloodstream the highest possible aspirations.

If we are able to conclude these agreements – and let me be clear, it would be better to have no agreements than bad agreements – we will have created free trade with 65 percent of the global economy, 65 percent of the global trading system. These agreements hold real, job-supporting export potential for each district represented on this Committee, including manufacturers in Michigan and Pennsylvania, farmers and ranchers in Wisconsin and California, and service providers in New York and Massachusetts.

Trade policy can only work, however, if it is fair.

American workers are the most productive in the world. They deserve a level playing field to compete on. This Administration has taken a tough approach to trade enforcement. Over the past four years, USTR has filed 18 cases to enforce our trade rights. Since its launch last year, the Interagency Trade Enforcement Center (ITEC) has further enhanced the complexity, depth, and reach of the Administration's enforcement efforts.

The Obama Administration is committed to pursuing freer trade, but we are equally committed to enforcing our trade rights and to providing skills and opportunities to workers who need them, including through the Trade Adjustment Assistance program, which expires at the end of this year.

Moreover, trade is a powerful tool of our broader development policy, not at the expense of U.S. interests, but in service of them. I recently returned from traveling with President Obama in Africa where he announced the launch of Trade Africa, a new partnership between the United States and Sub-Saharan Africa that seeks to increase internal and regional trade within Africa, and expand trade and economic ties between Africa, the United States, and other global markets. With a new generation of reform-minded leaders in some of the poorest countries in the world we are focused on pursuing policies of trade, not just aid; investment, not just assistance as the key to sustainable economic development. In that regard, I look forward to working with you to renew GSP this year and to ensuring the seamless renewal of AGOA before it expires in 2015.

Trade policy fulfills its greatest potential when it is the result of close consultation between the Administration, Congress and a wide range of stakeholders. Transparent collaboration leads to better policies and better outcomes, and while USTR has done much to advance transparency in

recent years – in my view, we can always do better. Here too I look forward to consulting with you as we explore what further steps should be taken.

Further, on an issue that I know is of importance to many of you: Trade Promotion Authority (TPA). As I said in my confirmation hearing, TPA is a critical tool. USTR has begun to engage in the process your leadership has undertaken. I look forward to working with you to craft a bill that achieves our shared goals.

Finally, all of these things I have mentioned, all of our shared goals are contingent on USTR having the resources to pursue its mission. Sequestration and other budget cuts are compromising USTR's ability to conduct trade negotiations and other market-opening efforts, as well as initiate new enforcement actions. Financial constraints are forcing us to make difficult decisions every day on how to prioritize engagement in key markets, where to send expert negotiators and which enforcement actions to take. The opportunities we miss have real effects on whether or not the American people are getting the full benefits of a robust trade policy and the jobs and growth promised by the agreements we have negotiated.

With that, let me once again thank you for inviting me to testify today and I am happy to answer any questions you have.

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