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## HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE OPPORTUNITIES & CHALLENGES OF THE TRANS-PACIFIC PARTNERSHIP

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement today at a committee hearing examining the opportunities and challenges of the Trans-Pacific Partnership (TPP):

*Over a decade ago, Chile, New Zealand, and Singapore launched negotiations to more fully integrate their economies. The vision was simple: to create a high-standard free trade agreement that would serve as a model of integration for the Asia Pacific region.*

*Joined by Brunei in 2005, this agreement eventually became known as the P-4.*

*Three years later, in a small conference room on the outskirts of the U.N. General Assembly meeting, Ambassador Susan Schwab formally announced the United States' interest in joining the negotiations.*

*The announcement received little fanfare here in the U.S. Had it been known at the time that this small step would eventually lead to what is now one of the most ambitious trade agreements the United States has ever undertaken, the Trans-Pacific Partnership, I am certain her announcement would have been front-page news.*

*Now, with the recent statement by TPP partners that a consensus was reached to include Japan in the negotiations, the event takes on even more significance.*

*I strongly support the vision that underlies TPP and I welcome Japan's participation in these negotiations. I believe this agreement offers an opportunity to finally open some of the largest and most promising markets to U.S. exports.*

*But we cannot rest on our laurels. While the opportunities presented by TPP are real, so are the challenges.*

*The first challenge we face is concluding an agreement that provides real market access for U.S. goods and services.*

*Much has been made about the new issues under discussion in TPP, many of which I support. But, in pursuing these new areas of agreement, I hope our negotiators do not lose sight of the fundamentals of free trade and economic integration. Negotiating a twenty-first century trade agreement is fine, but not at the risk of locking in eighteenth century mercantilism.*

*Without real and beneficial market access, TPP will never reach its full potential. It remains to be seen whether the Obama Administration is willing and able to successfully manage negotiations in some of our most sensitive sectors without sacrificing real market access for U.S. businesses.*

*Any meaningful agreement should set standards and establish rules for trade that will benefit American exporters and innovators well into the future. Transparency, predictability and strong intellectual property protection will be critical to reaching this goal.*

*A successful agreement must include commitments reached under the U.S.-Korea Free Trade Agreement and address new areas as well. Specifically, these new areas include: ensuring the free flow of data across borders, robust protection for trade secrets, and discipline for state-owned enterprises.*

*The agreement should also have the strongest possible terms of protection for our innovative industries. This must include following current U.S. law by providing twelve years of regulatory data protection for biologics, a goal that the Chairman and I both share.*

*I have raised this issue at every opportunity. And, a bipartisan group of thirty-seven Senators sent a letter to former Ambassador Ron Kirk expressing support for including this provision in the agreement. Yet, the administration still refuses to table text reflecting U.S. law. They repeatedly argue that this bar for data protection for biologics is too high.*

*Of course, such concerns have not stopped the administration from pushing a liberal social agenda in the negotiations. Indeed, many of our trading partners have serious concerns with the administration's approach on issues such as labor and environmental protections, especially their linkage to dispute settlement and trade sanctions.*

*These issues are only marginally related to trade. Yet, the administration seems to give them a higher priority than the protection of U.S. intellectual property.*

*To fulfill the vision of TPP, the United States must be able to rise to these challenges. Unfortunately, after sixteen rounds and roughly thirty-seven months of negotiations it is still not clear whether the agreement will ultimately live up to the lofty expectations.*

*I believe one reason for this uncertainty is that our negotiators simply lack the tools necessary to complete the job. While I appreciate the administration's interest in discussing Trade Promotion Authority or TPA, I have yet to see any real commitment on the part of the*

*White House to achieving its quick consideration and approval in Congress.*

*Of course, Congress can, and will, develop TPA legislation without the support and input of the White House. But a formal request from the administration for TPA would send a strong signal to our negotiating partners and the proponents of the Trans-Pacific Partnership that the President is serious about making sure the rhetoric surrounding the agreement meets the reality of the negotiating table.*

*Mr. Chairman, thank you once again for holding this hearing today. I look forward to hearing from each of our witnesses about the opportunities and challenges they see in negotiating and concluding what could be one of the most significant opportunities to expand U.S. exports in the last twenty years.*

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