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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding the Trans-Pacific Partnership Trade Agreement**

As prepared for delivery

In 1803, with the Louisiana Purchase on the horizon, President Thomas Jefferson sent a confidential letter to Congress. He was seeking the appropriation of \$2,500 for “the purpose of extending the external commerce of the United States.”

He then instructed Captain Meriwether Lewis and Second Lieutenant William Clark to explore the newly acquired territory. Jefferson wanted to learn more about the people and the land, and he wanted to find a water route to the Pacific Ocean to facilitate commerce across the continent.

More than two centuries later, we continue to look to the Pacific to expand and grow. Since 2009, the United States has been engaged in negotiations on the Trans-Pacific Partnership, or TPP.

The TPP was conceived as a high-standard 21st century trade agreement, and TPP leaders have set an ambitious goal to conclude negotiations by the end of this year.

The TPP presents tremendous opportunities to expand U.S. exports and support hundreds of thousands of good-paying jobs here in America.

As a group, the TPP countries are the largest export market for U.S. goods and services. Last year, U.S. goods exports to current TPP countries totaled \$619 billion, representing 40 percent of total U.S. goods exports. And U.S. agriculture exports to current TPP countries totaled \$47 billion, making up a third of all U.S. agricultural exports.

Montana, like the rest of the United States, relies upon global markets to maintain and create jobs. One in six manufacturing jobs in Montana comes from exports. And in 2012, Montana’s ranchers, farmers and manufacturers exported nearly \$2.5 billion worth of grain, beef and machinery. A third of that went to TPP countries.

In fact, Montana exported more than 117 million bushels of wheat around the world with almost 75 percent going to Asia. Without those exports, and without the TPP countries, every Montanan would have to eat 30 loaves of bread per day in order to make up what we export around the world.

The TPP is exciting not only because of trade opportunities with current parties, but also because of opportunities with potential new parties. The TPP is a magnet for the fastest growing economies in the world – those in the Asia-Pacific region.

In 2011, the GDP of nearly all of the Asia-Pacific economies grew faster than the U.S. growth rate of 1.8 percent. More than half of them enjoyed growth above the world average of 3.8 percent. And Asia's share of world imports grew from 18.5 percent in 1983 to 30.9 percent in 2011.

The United States needs to share in that growth. The TPP offers the way to do so. Since the United States joined the negotiations in 2008, six more countries have also joined, including fast-growing Malaysia and Vietnam.

And just last Saturday, the TPP parties invited Japan to join the negotiations. This represents a huge step towards another key objective – stitching together the economies of the Pacific to expand growth opportunities for all.

U.S. agriculture exports to Japan totaled \$13.5 billion last year. And with \$330 million in pork imports in 2012, Japan is the number one destination for U.S. pork – more than the next two countries combined. With Japan in the TPP, the agreement will represent 30 percent of global trade and 40 percent of global GDP.

Now, Japan has maintained many barriers to our exports. But when the third largest economy in the world removes those barriers, tremendous opportunities are created. We saw this in February when Japan allowed more U.S. beef imports. I am proud to say much of the beef is from Montana.

The United States is now on track to increase our beef exports by nearly 50 percent – to record levels. The TPP will remove more of those barriers and deepen our already strong trade ties with Japan.

On their journey to the Pacific, Lewis and Clark faced challenges. But instead of turning back, they found creative paths westward.

As we continue to expand, we will also face new challenges on the road to concluding the TPP. In this agreement, we will need to address concerns about state-owned enterprises. We will need to address unscientific agricultural barriers. And we will need to ensure U.S. innovators have robust intellectual property protection and enforcement.

These issues will require creative solutions. I look forward to continuing to work with my colleagues in Congress, the administration and stakeholders like the witnesses here today to find those solutions.

I am also looking forward to working with all of you to renew Trade Promotion Authority and Trade Adjustment Assistance this year. Fast Track authority will help us conclude the TPP negotiations, and that will bring concrete benefits for American ranchers, farmers, businesses and workers.

I would like to see a bipartisan TPA bill introduced by June.

Lewis and Clark helped to unlock the vast potential of the land between the Mississippi and the Pacific. With this pioneering spirit in mind, let us allow the TPP to unlock the vast potential of the lands across the Pacific. Let us navigate the challenges before us so we can seize this opportunity to continue extending the external commerce of the United States.

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