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Contact: Keith Chu (202) 224-4515

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**Hearing Statement of Senator Ron Wyden, D-Ore.,  
On Modern Challenges and the Need for Transparency in Trade Policy**

For decades, American trade policy has been a story of adaptation and change. In particular, the extraordinary economic changes of the last generation demonstrate how important it is that future trade policies are reformed to reflect the times.

For example, consider how technology has transformed the American and global economic landscapes. In the 1990s, an entire month's worth of Internet traffic data would fit on a single hard drive that you can buy today for 50 bucks at any electronics store. More than two billion people now log onto the net regularly. But Vietnam has a law on its books that calls into question the ability of U.S. businesses to move their data in and out of the country. Governments in China, Brazil and Europe are also considering developing systems that would effectively build digital barriers to trade that nobody could have foreseen a few decades ago.

And when it came to enforcing our laws, enforcement officials used to watch out for criminals fleeing offices with armloads of trade secrets printed on sensitive documents. Now hackers can break into a company's servers and steal data from the comfort of their own desks in classrooms or military facilities thousands of miles away.

Next, a generation ago, American workers and businesses also competed against a smaller, very different China. Today, bolstered by enormous advantages provided to state-owned and -run enterprises, Chinese government-backed steel and solar firms are able to take entire segments of the American economy out at the knees. They can do so because they sit on seemingly bottomless wells of cash, hide their paper trails with opaque accounting, and dodge the risks and borrowing costs that American companies face.

A third transformational change was the advent of unfair policies like indigenous innovation that target American innovators. In the 1990s, India and China had limited technical capacity. Now they are able to use highly technical standards to advantage their domestic firms and extract American companies' intellectual property for their own use – a shakedown, plain and simple.

Fourth, over the previous decade, currency manipulation has reemerged as a major concern for the U.S. economy. China made commitments to follow global trade rules when it joined the World Trade Organization in 2000. But when it comes to currency, as in so many other areas, China is keeping a finger firmly planted on the scale and undermining those commitments. Pick a product manufactured in China

and imported to the U.S. – any product – and currency manipulation makes it artificially cheaper. That is hurting American workers' ability to compete.

Finally, unlike 20 years ago, Americans expect to easily find online the information they want on key issues like trade. Yet too often, there is trade secrecy instead of trade transparency. It's time to more fully inform Americans about trade negotiations and provide our people more opportunity to express their views on trade policy. Bringing the American people into full and open debates on trade agreements that have the effect of law is not too much to ask.

At present, many Americans are questioning if trade developments have contributed to persistent long-term unemployment, stagnant wages for far too many, and students with good degrees unable to find high-quality jobs while they're saddled with debt. Last week's report showing that America's middle class is no longer the best-off in the world produced additional questions. Responding effectively to the trade changes of the last generation is absolutely essential to instilling more confidence that trade policy will be good for America's working families and bring more of them into the economic winners' circle.

Fortunately, America has big advantages to work with in trade. We have the most skilled, productive workforce in the world – one that foreign students want to join. The dollar remains the dominant currency of the global marketplace. And with the Internet's "big bang" and the boom in high-speed networks, the U.S. exports \$350 billion worth of digital goods and services each year on what amounts to a new, virtual shipping lane. The Internet also makes it easier than ever for a craftsman from Fossil, Oregon – population 470 – or a barbecue sauce maker from Memphis, Tennessee, to reach customers around the world. So policy makers have a lot to work with.

We do have classic issues that remain. There are overseas tariffs to bring down and other barriers to eliminate. We've had an open market, so when America negotiates, we can get more of an advantage out of it than other trading partners. That is particularly good for American products like wheat, dairy and footwear that need to be able to compete on a level playing field.

Here's my bottom line. The new breed of trade challenges spawned over the last generation must be addressed in imaginative new policies and locked into enforceable, ambitious, job-generating trade agreements. They must reflect the need for a free and open Internet, strong labor rights and environmental protections. Nations don't dismantle protectionist barriers or adopt these rules on their own. They do so with reciprocal agreements hammered out through negotiation. America must establish new rules to reflect today's trade norms and enforce them.

We're looking forward to hearing from Ambassador Froman, who we're fortunate to have joining us today, how the administration's trade agenda will accomplish what today's American economy needs, in part through trade negotiations with countries across the Pacific and in Europe. I'll continue working with my colleagues to develop an approach toward trade and globalization that meets the test of producing more good-paying American jobs.

**Watch Chairman Wyden's statement here: <http://youtu.be/abSfijzrMLY>**

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