



FOR IMMEDIATE RELEASE

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Contact: Communications Office

(202) 224-4515

**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Job Creation, U.S. Exports and the President's 2012 Trade Agenda**

As prepared for delivery

Winston Churchill once said, "Success is not final."

Last year was a banner year for trade. We passed three free trade agreements to open new markets for U.S. exporters, we renewed Trade Adjustment Assistance to help U.S. workers retrain for a global economy, and we renewed two important preference programs to lower costs for U.S. manufacturers and retailers.

We achieved great success, but we cannot let this success be final. We must press for continued success in 2012. An aggressive trade agenda is key to creating good jobs, including agriculture jobs in my home state of Montana. Export-related jobs pay 13 to 18 percent more than the national average.

Concrete goals will ensure continued success. We should set three major trade goals for 2012: approving permanent normal trade relations with Russia; concluding the Trans-Pacific Partnership negotiations; and addressing the challenges posed by China.

First, we must seize the opportunity provided by Russia's entry into the World Trade Organization. Russia is now the sixth-largest economy in the world and growing fast. Russia's GDP is expected to surpass Germany's by 2029 and Japan's by 2037.

For U.S. companies to take advantage of this growing market, Congress must repeal the Jackson-Vanik amendment and establish permanent normal trade relations with Russia, known as PNTR.

PNTR is a one-way street. Passing PNTR would double U.S. exports to Russia in five years. And we give up nothing in return; not a single U.S. tariff will be reduced as part of this deal.

If we don't pass PNTR by this summer, U.S. companies will lose out to competitors in China, Europe and the 150 other members of the WTO. As our economy continues to recover, we simply can't let that happen.

I traveled to Russia last month, and I saw a country with vast potential for U.S. business. I also saw a country with a troubled democracy and human rights record, and I heard about the importance of PNTR from some unexpected sources – democracy, human rights and transparency activists.

The activists all have serious concerns about Russia, but they all support PNTR. They explained that PNTR is no gift to the Russian government. To the contrary, they explained, repealing Jackson-Vanik weakens the ability of the hardliners in Russia to rally anti-American forces.

Repealing Jackson-Vanik will open Russia to U.S. companies and promote competition, openness and transparency. And I look forward to working with you and my colleagues to repeal Jackson-Vanik this summer.

The second ambitious goal that we should meet this year is the conclusion of the Trans-Pacific Partnership, or TPP, negotiations. The TPP provides a tremendous opportunity to tie together and expand trade among some of the most dynamic economies in the world.

Japan, Canada and Mexico now want to join the negotiations. Adding these countries would increase the number of TPP consumers by 50 percent. And with their inclusion, the TPP would account for a full 40 percent of the world's GDP. I know you are examining whether these countries are ready to quickly accept the high-standard commitments of the TPP. I look forward to consulting with you on that question. And I hope that our new FTA partners – Colombia, Panama and South Korea – are added to the list of potential TPP entrants as well.

Our third goal for 2012 must be meeting the challenge of China. China is the second-largest economy in the world and the third-largest destination for U.S. exports. It is a country exploding with potential for U.S. companies and their workers, but the challenges that China poses are also real.

Senator Grassley and I requested a study that uncovered \$50 billion of U.S. intellectual property stolen in China each year. China's undervalued currency also continues to cost U.S. jobs, and too many Chinese imports to the United States are dumped or subsidized.

It is past time to address these problems. A recent World Bank study outlined a series of dramatic steps that China should take to reform its own economy. They include shifting away from market-distorting policies that favor state-owned enterprises in China and harm U.S. exporters. China's new leaders should heed this advice, but we cannot simply wait for China to act. We must take steps here at home.

The Interagency Trade Enforcement Center that the Administration recently announced is an important step in the right direction. I hope the Center will further enhance USTR's effectiveness in dismantling trade barriers in China and around the world. This has been USTR's core mission from day one. No agency is better positioned to perform this role than USTR.

I look forward to working with you on other steps the U.S. government can take to address both the opportunities and challenges that China poses to our companies and workers.

So let us heed Mr. Churchill's advice and remember that success is never final. Let us build on the bipartisan trade successes of last year. Let us work together on even greater trade successes this year. And, by doing so, let us work together to create the jobs our economy needs right now.

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