COMMITTEE ON FINANCE
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Statement of Senator Max Baucus (D-Mont.)
Regarding Free Trade Agreements and Trade Adjustment Assistance
As prepared for delivery

President Truman once said, "In periods where there is no leadership, society stands still. Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better."

We cannot afford to stand still and delay progress on our trade agenda. Our competitors are gaining ground. U.S. exporters are losing business and opportunities for growth.

While we stand still, the European Union's trade agreement with Korea entered into force last Friday, and Canada's agreement with Colombia will take effect next month. Unless we act, these agreements will send the jobs we need to our competitors.

In these challenging times, the American people need leadership. It is time to work together to move the trade agenda forward. This means renewing Trade Adjustment Assistance and approving the long-awaited free trade agreements with South Korea, Colombia and Panama.

This agenda is an opportunity to change our economy for the better, and we must seize it. The free trade agreements will improve American competitiveness and create jobs. They will open foreign markets, increase U.S. exports and grow our economy.

It is time to act. American farmers, ranchers, workers, and businesses have been waiting for too long. Today the waiting ends. Today we deliver on our promise to U.S. workers and exporters. Today we deliver on our promise to three important trading partners.

Korea is a strategic ally bordered by a dangerous and repressive regime. It is also one of the largest economies in the world. The FTA will lower Korean trade barriers on U.S. products, increasing our exports by one-third and cutting our bilateral trade deficit in half.

Colombia is the world's comeback story of the decade. Ten years ago, it was nearly a failed state, wracked by violence and crime. Today, it is a strong and vibrant nation with a growing economy.

Panama is the crossroads of global commerce. It is a fast-growing economy that already accounts for our second largest trade surplus in the western hemisphere.

Approval of our free trade agreements with these important partners has been delayed by several concerns. During the past year, we have worked with the Administration to address all of them.

With Korea, we reached an agreement that will allow U.S. automakers to compete fairly in the Korean market. And the Administration made a commitment, at my request, to promote U.S. beef sales in Korea and to consult with Korea on increased market access for American beef.

Colombia agreed to implement a Labor Action Plan. This groundbreaking plan commits Colombia to strengthen labor rights, protect workers and prosecute those who commit violence.

And with Panama, we signed a tax transparency agreement, which Panama has already approved and implemented, along with important labor reforms.

With these concerns now resolved, it is time for leadership. It is time to seize the opportunity to change things for the better. We cannot afford to stand still.

Trade agreements, like the ones we are considering today, are good for our economy. They promote growth and create jobs. But they also increase competition from imports, which can affect the labor market here at home.

That is why, for nearly 50 years, we have provided workers with Trade Adjustment Assistance, or TAA. TAA gives job training, income support and health coverage tax credits to workers affected by foreign trade.

As President Kennedy said when the program was created, TAA affords "time for American initiative, American adaptability and American resiliency to assert themselves."

Over the years, we have reformed TAA to keep pace with changes in the global economy.

In 2009, we extended TAA to service industry workers and workers displaced by production shifts to non-FTA countries like China and India. We also increased training funds and the health coverage tax credit. But these reforms expired in February.

We have made clear that TAA must be extended in tandem with the FTAs. American workers must have the assurance that a TAA program that meets their needs in today's economy will be available when Congress votes on these FTAs.

That is why I worked with Chairman Camp and the White House to reach a strong, bipartisan agreement to extend TAA.

Our agreement restores the 2009 TAA reforms through 2013, while making necessary cuts to reduce the cost of the program in these tough budget times. The provisions of this agreement are included in the Korea FTA bill.

These provisions are clearly "necessary or appropriate" to implement the Korea FTA, as required by fast track rules dating back to 1974.

Indeed, there is precedent directly on point. The law implementing NAFTA also included provisions expanding TAA, and the Korea FTA is the largest trade agreement since that 1993 law.

I know that there are differences of opinion on the process for extending TAA. I have included it in the Korea FTA bill for this mock markup. But that does not foreclose discussion of other options for extending TAA. I remain open to those options, as long as they provide certainty that the bipartisan TAA deal will be enacted in tandem with the FTAs.

But let us not stand still. Let us demonstrate leadership and courage. Let us remember President Truman's wisdom and seize this opportunity to change things for the better. For the sake of American jobs, farmers, ranchers and businesses, let us approve these free trade agreements.

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