

Camp Opening Statement: Hearing on the Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs

Tuesday, January 25, 2011

Washington, DC - Ways and Means Chairman Dave Camp (R-MI) today delivered opening remarks at the Committee on Ways and Means Hearing on Pending Free Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs. Below are excerpts, followed by the full remarks.

Free Trade Agreements as Job Creators

"This deadline [consider all three agreements in the next six months] isn't being driven by politics or posturing—it is driven by the need to create jobs for American workers. The three trade agreements are a sure-fire way to create American jobs by growing U.S. exports of goods and services – and it does not require one dime of new government spending."

"These agreements create new exports, and resulting jobs, in several ways.

- First, they level the playing field for American workers by reducing foreign tariffs on U.S. exports.
- Second, the agreements remove existing non-tariff barriers and go a long way towards ensuring new barriers do not emerge.
- Third, as I've noted, these agreements maintain and improve U.S. competitiveness vis-à-vis exporters from other countries.
- Finally, I want to note that it's not just big companies that benefit from these agreements."

Free Trade Agreements Prevent America From Falling Behind

"Continued delay also hinders the ability of American workers, businesses, and farmers to compete in these markets as our competitors move ahead."

"Other major economies, including the EU and Canada, have signed, or are poised to sign, agreements with Colombia, Panama, and South Korea. The EU-South Korea agreement is slated to enter into force on July 1 of this year. The Canada-Colombia trade agreement is also expected to enter into force this July. Implementation of their agreements, and continued inaction on our agreements, will result in further missed opportunities to create U.S. jobs. America cannot afford to fall further behind, and by standing still, we are doing just that."

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I would like to welcome all of you to the first trade hearing of the 112th Congress, in which we will examine the three pending trade agreements – agreements that were all concluded back in 2007, almost four years ago. I also expect to have Ambassador Kirk appear before the Committee in the near future to talk about these three agreements and our trade agenda.

I would like to take a moment to welcome, in particular, Ambassador Silva from the Embassy of Colombia, as well as representatives from the embassies of Panama and the Republic of Korea. I thank you all for attending, and for being such strong advocates for these agreements because of the strong ties they will create between our countries.

Given the delay in considering these agreements, I welcomed the President's announcement last June of a clear timetable for resolving the outstanding issues surrounding the South Korea agreement. Mr. Levin and I worked closely together, with stakeholders and the Administration, to arrive at a compromise that resolved the outstanding autos issues in the U.S.-South Korea trade agreement.

Unfortunately, the Administration has not taken the same productive approach to the Colombia and Panama agreements. I hope that the President lays out such a timetable in his address tonight. I strongly believe that we should consider all three agreements in the next six months.

This deadline isn't being driven by politics or posturing— it is driven by the need to create jobs for American workers. The three trade agreements are a sure-fire way to create American jobs by growing U.S. exports of goods and services – and it does not require one dime of new government spending. The President has noted that the South Korea agreement alone will create 70,000 American jobs.

However, until Congress passes the agreements, our workers can't realize these benefits. Continued delay also hinders the ability of American workers, businesses, and farmers to compete in these markets as our competitors move ahead.

Last May, then-Agriculture Ranking Member Lucas and I released a report documenting how the delay in implementing the Colombia agreement allowed Argentina and Brazil to take market share from U.S. farmers in the Colombian market as they implemented their trade agreement with Colombia. I have just released an updated analysis showing that the ongoing delay has caused U.S. exports to Colombia to decline even further. This updated report also demonstrates that in stark contrast, the existing U.S.-Peru agreement has resulted in increased U.S. exports and increased market share. If we implement the Colombia agreement, we can enjoy similar gains as we are seeing in the Peruvian market.

Other major economies, including the EU and Canada, have signed, or are poised to sign, agreements with Colombia, Panama, and South Korea. The EU-South Korea agreement is slated to enter into force on July 1 of this year. The Canada-Colombia trade agreement is also expected to enter into force this July. Implementation of their agreements, and continued inaction on our agreements, will result in further missed opportunities to create U.S. jobs. America cannot afford to fall further behind, and by standing still, we are doing just that.

In these difficult economic times, Congress and the Administration owe it to American workers, businesses, and farmers to take all available steps to increase exports and the jobs they support.

These agreements create new exports, and resulting jobs, in several ways.

First, they level the playing field for American workers by reducing foreign tariffs on U.S. exports. In fact, we enjoy a manufacturing trade surplus with our trade agreement partners. For some partner countries, the trade agreements have taken us from a deficit before implementation to a surplus afterward. The simple fact is that nearly all imports from Colombia and Panama already enter the United States duty free, and U.S. exports to all three countries pay much higher tariffs than exports from those countries to the United States. These agreements would eliminate or substantially lower the tariffs on U.S. exports in all sectors, making our products more competitive.

Second, the agreements remove existing non-tariff barriers and go a long way towards ensuring new barriers do not emerge. The agreements set standards to ensure sanitary and phytosanitary rules in agriculture are not used for protectionist purposes, provide strong protections for intellectual property rights, and encourage greater regulatory harmonization and the use of international standards.

Third, as I've noted, these agreements maintain and improve U.S. competitiveness vis-à-vis exporters from other countries. Failure to implement the three pending trade agreements risks putting U.S. exporters at a competitive disadvantage in these markets, costing American jobs and slowing job creation.

Finally, I want to note that it's not just big companies that benefit from these agreements. More than 80 percent of exporters to each of the three markets are small or medium-sized businesses, with fewer than 500 employees. In many ways, these dynamic businesses and their employees have the most to gain from these agreements – and the most to lose if we delay.

I would like to welcome our witnesses, who represent the full spectrum of U.S. agriculture, manufacturing, and services interests, including both large and small businesses. I look forward to your testimony.