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**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Foreign Affairs Committee
Hearing: Advancing U.S. Economic Interests in Asia
May 14, 2015**

(As Prepared for Delivery)

This hearing will come to order. Today we will hear from the State Department regarding the positive impact American trade with Asia has had - and promises to have - on our economy and national security. That's if we are willing to put in place smart and fair policies to tear down trade barriers overseas to better sell U.S. products to the world.

For most of the last century, the United States-led system of open global markets has dramatically increased our prosperity. And it has lifted more than *a billion people* out of *extreme* poverty in the past 20 years alone, greatly serving our economic, political and humanitarian interests worldwide, including in Asia.

The benefits of trade can't be taken for granted, though. We've reached an important decision point. A strong Trans-Pacific Partnership agreement would bolster our economic and political standing in a growing and increasingly important part of the world, Asia.

To negotiate a strong Trans-Pacific Partnership, or TPP, Trade Promotion Authority is needed. TPA will establish high standards for the TPP and strengthen U.S. negotiator's hand to strike an effective and enforceable deal. And if the White House strikes a bad deal, with TPA, Congress is still positioned to reject it.

TPP could be enormously beneficial, potentially adding trillions of dollars to the world economy. TPP would give U.S. exporters better access to one billion consumers. International trade currently supports 38 million American jobs and TPP and the trade agreement being negotiated with Europe could add over one million more, helping build a healthy economy.

Of course, there are concerns about the U.S. trade deficit. But much of that is due to our large oil import bill, which is dropping as domestic production increases. And the fact is that we have a trade *surplus* with our 20 current trade agreement partners. In manufacturing alone, we have a \$55 billion *surplus* with these countries, over double from only a few years ago. Yet of the 75 trade agreements in Asia since 2000... we were a party to *three* of them. Just three.

We can't be sidelined. Good agreements create enforceable, high-standards for trade and help level the playing field for American companies. It is us who have the most to gain from them, as our exporters face far higher tariffs than their competitors do here.

Meanwhile, Beijing is making rapid anti-competitive moves that are throwing the world trading system off balance. These include issuing regulations to make it easier it to steal

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intellectual property from American companies operating in China. Beijing also is creating its own, parallel institutions: the Regional Comprehensive Economic Partnership and the Asian Infrastructure Investment Bank are designed to shut out the U.S. TPP strengthens the U.S., not the government in Beijing.

Beijing is pressing its neighbors to choose the U.S. or them. Partner with one or the other. Asia is far too important economically and geopolitically for us to disengage, not being part of its economic fabric, which TPP will define. We are a Pacific country, after all. Let's remain one.

I'll now turn to the Ranking Member for any opening comments he may have.