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U.S. DEPARTMENT OF COMMERCE
WAYS AND MEANS COMMITTEE
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Chairman Ryan, Ranking Member Levin, and members of the Committee, thank you for this opportunity to discuss the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, legislation that is good for America's economy, for America's businesses and for America's workers.

At the Department of Commerce, we work every day to create the conditions for U.S. companies to compete at home and abroad. As Secretary, I have met with more than 1,600 CEOs and business leaders from across the country. These executives know that 96 percent of the world's customers live outside our borders. They see the reality of integrated supply chains, and appreciate that we must reduce barriers.

Whether they employ 20 workers or 200,000, these leaders view exports as essential to reaching new markets and creating more good-paying jobs – American jobs.

Access

When I ask business leaders what Washington can do to help them grow, they tell me time and again: we need new free trade agreements. To create sustainable growth for our companies, for our workforce and for our economy, we must make it possible for more American firms of all sizes to sell their goods and services abroad.

Take the opportunity in Asia Pacific markets, for example. The Asia Pacific's middle class is set to grow to 3.2 billion¹ over the next 15 years. To put that in perspective, by 2030, the middle class in the Asia Pacific will be nearly nine times larger than the entire U.S. population. Expanding into Asia Pacific markets is an opportunity we cannot afford to miss.

¹ Brookings:

http://www.brookings.edu/~media/research/files/papers/2010/3/china%20middle%20class%20kharas/03_china_middle_class_kharas.pdf

Exports – Good for Business and Workers

Opening more markets to our goods and services is not simply about access for our businesses; it is about more jobs and prosperity in our communities. Exports contributed nearly one-third of our overall growth between 2009 and 2014. Every day, 11.7 million Americans go to work in jobs supported by exports – positions that pay up to 18 percent more, on average, than jobs not related to exports.

These Americans work at companies like:

- DodoCase, a small manufacturer of iPad cases in San Francisco;
- World Art Group, a small publisher of high-quality posters and prints in Richmond, Virginia; and
- Leatherman Tools, a medium-sized manufacturer of innovative hand tools in Portland, Oregon.

Competition

These companies are finding success through exports, yet they face tariffs of at least 20 percent in markets like Vietnam and Malaysia. China, by contrast, already has trade agreements with these countries – among its 17 free trade partners across Asia. As a result, Chinese firms face zero tariffs on most products in these fast-expanding markets and have a competitive edge over American businesses.

New World

This debate is not solely about China, but the world our businesses face today. The world is not standing still. Our competitors are racing forward with their own trade agendas. And we cannot afford to be left behind. We must lead. As a former CEO, I know that our companies must sell their goods outside their own communities not just to survive, but to thrive. Put simply: trade agreements are not a “nice to have” for businesses; they are a “need to have.”

Rules for the Road

Completing strong, new trade agreements will level the playing field for companies like DodoCase, World Art Group, and Leatherman Tools. But these agreements can only be realized if Congress does its part by enacting trade promotion legislation, setting the guidance needed to negotiate the strongest deals possible. This Administration believes that all workers deserve fair wages and a safe workplace. This Administration believes in protecting our forests and fisheries. This Administration believes that new trade agreements will allow us to promote American values, raise global standards, and maintain the competitiveness of our workforce and businesses.

Closing

I understand and respect that some Members have concerns about trade agreements. The best way to address those concerns is for Congress to lay out clear guidance that gives this Administration and future Administrations the tools to negotiate high-quality agreements consistent with our values. You can do so by passing trade promotion legislation. This is one of the most important votes this Congress will take to strengthen our economy.

If we get this right, I am confident we can keep America more competitive and keep our country open for more business.

Thank you.