



Levin Opening Statement at Hearing on the U.S. Trade Policy Agenda

January 27, 2015

The Trans-Pacific Partnership is potentially a trade package of historic significance. Economically, the 12 participants represent 40 percent of the world's GDP. New vital issues are being negotiated multilaterally for the very first time.

TPP has the potential to raise standards and open new markets for U.S. businesses, workers and farmers – or to lock in weak standards, uncompetitive practices, and a system that does not spread the benefits of trade, affecting the U.S. economy, job prospects and wages for decades to come.

At this juncture, there are many major outstanding issues in key subject matters of TPP. The resolution of these issues will decide the merits of TPP and whether it is an Agreement that builds on progress in recent FTAs.

Last week I put forward a description of what I believe to be the most effective resolution of the major outstanding issues. Achieving these outcomes could lead to a landmark TPP agreement worthy of major bi-partisan support, and my support.

The outcomes will affect the paychecks of American families now and in the future. We should focus on getting it done right.

To achieve this, Congress at this point must not give up its leverage by passing TPA – where it can only say yes or no – until we are fully confident that USTR is on a clear path toward effectively achieving these outcomes.

Congress needs to assure itself of a fully active role in the effort to get TPP right.

With the negotiations at a pivotal point, within a few months of final decisions being made on key specific issues and provisions, the Congressional role must be instrumental.

We have played an active and important role in the past, and numerous trade agreements have been improved as a result. We put together provisions in the May 10 agreement on enforceable labor and environment standards as well as vital medicine provisions; we inserted into China PNTR provisions to strengthen enforcement of China's obligations, unfortunately not utilized, as well as trade enforcement and human rights provisions in Russia PNTR. And, we insisted the

industrial provisions of the Korea FTA be re-negotiated where Dave Camp and I worked closely with the auto companies and auto workers – and the Obama Administration went back and got a stronger agreement.

This may not be the course suggested by those who believe more trade is, by itself, so positive that any problem in TPP will work itself out over time.

For some others there is no feasible way to do TPP right.

So both focus now on process, on the vehicle, Trade Promotion Authority, and not on the vital contents of the TPP package that would be on that vehicle.

Let me give a few examples why we need right now to focus on TPP:

First, currency manipulation has cost the United States millions of jobs over the past decade. Bipartisan majorities of both the House and the Senate, and staunchly conservative as well as liberal economists, have urged the Administration to include strong and enforceable currency disciplines in TPP. But the Administration has not yet broached the subject in the TPP negotiations.

On agricultural market access, we continue to hear concerns from farm groups that TPP could lock in closed markets, particularly in Japan, but also in other countries. We must insist that tariffs be eliminated on virtually all agricultural products, and that there be significant new access for the few products where tariffs aren't eliminated.

On investment, the Economist magazine, the Cato Institute, foreign governments, and others from across the political spectrum have expressed growing concerns that the investment provisions of our trade agreements, particularly the investor-state dispute settlement mechanism, could unjustifiably interfere with each nation's sovereign right to regulate.

Recent examples are Australia's regulations of tobacco and Canada's handling of medicine patents. TPP needs to include new safeguards, as I proposed last week.

Finally, TPP needs to preserve the provisions of the bipartisan May 10 Agreement of 2007. For example, this is the first time the United States has ever negotiated a comprehensive trade agreement with a communist trading partner. Vietnam must recognize that workers have the right to choose their own representatives – and we need to put in place an ongoing panel to ensure Vietnam's compliance.

No less important are outstanding provisions on access to Japan's automotive market, state-owned enterprises, rules of origin, environmental protections and human rights.

Giving Congress a fully effective role – as well as for representatives of groups with a big stake in TPP negotiations – is an effective way to assure other nations that USTR is bargaining with strong Congressional bipartisan support.

In order for that to happen, all members of Congress and cleared advisers must have full access to the negotiating documents, including to the positions taken by other nations, on a secured basis where necessary. There has been some progress on transparency, but more must happen.

A full role for Congress at this important juncture in the TPP negotiations, with real transparency, is absolutely essential -- nothing else will suffice.