

Advancing U.S. Economic Interests in Asia
CFA Full Committee Hearing
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2172 RHOB
Rep. Gerald E. Connolly (D-VA)

If the strategic rebalance to the Asia-Pacific is going to include strengthened economic ties to the region, those relationships must be built in a manner consistent with American values. The strength of the American democratic system is, and has always been, the United States' competitive advantage, and American values – our greatest export.

The U.S. is currently engaged in negotiations to complete a regional free trade agreement with 11 Pacific Rim countries. If the U.S. can negotiate a high-standard Trans-Pacific Partnership (TPP) agreement, we will have a valuable tool for instilling American values in the Asia-Pacific. The size of a potential TPP agreement, encompassing 40% of world GDP, means the reverberations from this historic trade agreement could be felt globally. Those driven by an ideological opposition to trade would have the U.S. leave the negotiating table altogether. With negotiations in their fifth year and potentially nearing an agreement, walking away from TPP at this time would be disastrous for U.S. credibility in the Asia-Pacific.

Instead, we should insist that negotiators draft an agreement with standards that are unprecedented and strictly enforced. A bipartisan coalition in Congress has put forward a trade promotion authority proposal to assert Congressional prerogative and insist that any ultimate agreement meet specific objectives on matters such as labor rights, environmental protections, and human rights. That legislation, the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (H.R. 1890), also provides for close Congressional consultation and public transparency throughout the agreement's review and approval process.

Adherence to international labor standards and environmental agreements will be new territory for some countries in the Asia-Pacific, but we must insist that this agreement break new ground. For the first time in history, the promotion of human rights has been elevated to a primary negotiating objective in trade promotion authority legislation. This will be an uncomfortable discussion for some parties to the agreement, but again, we will not negotiate away our values. There have been past agreements that have not lived up to these standards. With TPP, we must achieve a new type of trade agreement, and H.R. 1890 will ensure that we succeed.

Despite what some critics would have you believe, free trade is not the source of all economic woes in the U.S. There are many factors that act as disruptors in the 21st century economy, not the least of which is technology. Absent an ability nor willingness to wall off the U.S. economy from the 95% of the world's consumers who live beyond our borders, we should support measures that mitigate the inevitable effect trade can have on workers, such as the Trade Adjustment Assistance Act of 2015 (H.R. 1088), which provides training and resources to workers who have lost their jobs as a result of trade. We cannot use trade as a scapegoat, and ignore the realities of the globalized economy.

Nor can we expect trade to be a panacea for the Asia-Pacific. Trade with the U.S. will not foster American-style democracies on day one of a free trade agreement. However, it will give U.S. companies and U.S. citizens access to markets that are partly closed off to U.S. goods and services. It will provide an alternative to China, a country that has used its trade ties to put smaller countries into a vulnerable, defensive crouch on matters such as maritime disputes. And, yes, trade with the U.S. will come with strings attached. The alternative is ceding to China's standards, and they have none.

As the U.S. executes a strategic rebalance to the Asia-Pacific, strengthened economic ties to the region offer us the opportunity to cement our presence and demonstrate a multifaceted commitment to the Asia-Pacific that extends beyond regional security matters. Coalescing the Asia-Pacific around an economic system with clearly defined standards is an opportunity to demonstrate America's influence as the world's lone indispensable nation.