

**Opening Statement of The Honorable Lee Terry
Chairman, Subcommittee on Commerce, Manufacturing and Trade
EU- US Free Trade Agreement: Tipping Over Regulatory Barriers
July 24, 2013**

Good Morning, and welcome to today's hearing, where we will examine the regulatory issues that we expect will come up during the negotiation of the Transatlantic Trade and Investment Partnership...also known as the U.S.-EU free trade agreement, or T-TIP.

A trade agreement with the European Union should in many ways be a common sense policy for the United States. Already, the bilateral trade relationship between the U.S. and the EU is the largest in the world—accounting for over \$1 trillion in trade—of which U.S. exports account for \$463 billion. According to the U.S. Trade Representative, this relationship supports over 13 million jobs in the United States and Europe and accounts for \$3.7 trillion worth of direct investment in both economies.

These are significant data points, and our subcommittee's legislative record thus far supports many of those figures. Our subcommittee's activity this Congress began by hosting an entire hearing series that focused on learning from our nation's manufacturers. We heard time and time again from a variety of industries about the well-paid middle class jobs they could create if given the opportunity to expand their operations and the positive effects this type of growth has on various parts of the economy.

As the numbers suggest, foreign direct investment is key element of our trade relationship with the EU. We want this piece of our trade portfolio to grow and strengthen, and not just with the EU, so Ranking Member Schakowsky and I crafted legislation aiming to lower barriers in the U.S. to inbound foreign direct investment that the full committee unanimously voted to approve last week. I believe that when foreign companies want to initiate or expand their manufacturing footprint in the U.S. it's good for our long-term economic success.

Now, we will turn our attention to T-TIP, another potential job-creating addition to our economy. This trade agreement is unique for many reasons. Historically, tariffs on goods have been the single biggest barrier to trade. But because of how low tariffs between the U.S. and the EU, this isn't the case with T-TIP. Consequently, addressing non-tariff barriers is a substantial portion of the negotiation and, according to the High Level Working Group, as much as 80 percent of the overall potential gains in the T-TIP lie in addressing these so-called "behind the border" issues.

T-TIP represents a historic opportunity for both sides to create greater openness, transparency and convergence in regulatory approaches and standards while reducing unnecessarily redundant requirements.

It would seem to make sense that if the European Medicines Agency (EMA) just inspected a pharmaceutical manufacturer in Berlin for compliance with Good Manufacturing Practices, the U.S. FDA could rely on the findings of the European inspector instead of duplicating the effort by conducting its own inspection. Unfortunately, this is not the case.

It might also seem to make sense that given our respective standards yield equivalent safety performance of vehicles, we should be able to find a certain level of uniformity – or at least mutual recognition of – the U.S. and European auto safety regulations. Remarkably, or unremarkably as the case may be, over the past 15 years only seven out of the hundreds of safety regulations have been harmonized through participation in a United Nations working group.

There are countless more examples of areas where U.S. companies, workers and consumers stand to gain from this type of collaboration, and we should use every tool at our disposal in an effort to maximize the potential benefits for Americans when it comes to this agreement.

I would like to thank our witnesses for appearing before us today. We have a broad cross-section of stakeholders that each have a unique perspective on what the T-TIP could bring to the U.S. I look forward to hearing from each one of them.

I now recognize the ranking member, Ms. Schakowsky.