Kirk Says U.S. Will Work With Congress on Pacific Trade Pact

By Rebecca Christie November 14, 2009 Bloomberg

U.S. Trade Representative <u>Ron Kirk</u> pledged the Obama administration will work with Congress as it seeks to link up with a four-nation Pacific trade alliance in pursuit of broader Asian trade ties.

Kirk's remarks at the Asia Pacific Economic Cooperation forum in Singapore today followed President Barack Obama's announcement in Tokyo that the U.S. would seek a regional agreement by reaching out to the trade group, which currently includes Singapore, New Zealand, Chile and Brunei.

By singling out the Trans-Pacific Partnership, the administration is giving a central role in its Asia trade strategy to a regional alliance among nations with a combined gross domestic product of about \$494 billion, less than half that of Australia.

Pro-trade lawmakers in the U.S. and industry groups hailed the outreach, which likely will face opposition from some of Obama's fellow Democrats.

"The administration's biggest challenge is on their left, not on their right, and we're going to have to put a lot of energy together dealing with the Congress and the Labor unions to get this done," <u>Tom Donohue</u>, president of the U.S. Chamber of Commerce, said in an interview in Singapore.

Lawmaker Support

Senators <u>Max Baucus</u> of Montana and <u>Charles Grassley</u> of Iowa, the chairman and top Republican on the Senate Finance Committee, issued statements in support of the initiative.

"The world has been waiting for the United States to reassert its leadership on trade, and today's announcement is an important first step," Grassley said. "If we can reach an agreement, it will create new opportunities for U.S. exporters and help strengthen our position in the Asia-Pacific region."

Baucus, whose committee oversees international trade, said such negotiations are "right for American jobs, right for American exporters and right for the American economy" because U.S. businesses need broader access to Asian markets.

The potential pact is not without detractors as farmers and ranchers worry about a spike in meat and dairy imports from New Zealand and textile producers worry about increased import competition from Vietnam.

Obama also pledged to renew efforts to enact a trade deal with South Korea that was negotiated by his predecessor, former President <u>George W. Bush</u>, and has been held up by Democratic critics who say it doesn't give the U.S. equal access to South Korean markets.

Agreement for Future

Obama said the U.S. wants to reach out to the Trans Pacific Partnership countries "with the goal of shaping a regional agreement that will have broad-based membership and the high standards worthy of a 21st century trade agreement."

Asian markets can help the U.S. create jobs and pull out of its worst downturn since the Great Depression, Kirk told business leaders meeting in Singapore. He said that while the recovery has started it isn't yet secure.

Echoing Obama, Kirk said the U.S. needs to increase its savings and exports while Asian nations work to shrink their trade surpluses and encourage domestic spending.

"We must break down long-standing barriers to trade and investments as well as newer impediments that obstruct trade and slow economic integration in the Asia-Pacific," he said. As the trade talks proceed, he promised "close consultation with the United States Congress and with stakeholders at home."

The Bush administration announced last year that it would join in negotiations with the four other nations pulling together the trans-Pacific trading group, New Zealand, Chile, Brunei and Singapore. At the end of last year, Peru, Vietnam and Australia said they would join, too. The U.S. already has individual free-trade agreements with Chile, Singapore, Peru and Australia.

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