

**Testimony of the  
Under Secretary of Commerce for International Trade  
Francisco Sánchez  
Before the  
House Energy and Commerce  
Subcommittee on Commerce, Manufacturing and Trade  
March 16, 2011**

Good morning, Chairwoman Bono Mack, Ranking Member Butterfield and members of this Subcommittee. Thank you for the opportunity to speak with you today.

In his State of the Union address, President Obama told Americans that the future is ours to win – if we rise to the challenge. To compete in the industries and markets of the future, America must out-innovate, out-educate and out-build the rest of the world. In doing so, we can create the jobs that Americans need. By understanding how the world has changed, we can create the environment that can expand the American economy.

Great opportunities lie in the vast global market, which will grow in size and scope in the years ahead. Today, 95 percent of the world's customers live outside our borders. The International Monetary Fund forecasts that 83 percent of world economic growth over the next five years will happen outside of the United States. If we want to win the future, we have to go where the customers are. Most of the nations of the world expect to increase their standards of living, and they are giving rise to a new global middle class of consumers that can be the new marketplace for American goods and services.

Under Secretary Locke's leadership, we at the Commerce Department have gone into overdrive to implement the National Export Initiative (NEI) that President Obama has outlined. The President has repeatedly emphasized the increasing role that exports must play in our economy. Through the NEI, and its goal of doubling U.S. exports by 2015, we hope to support millions of jobs here at home. Already, U.S. companies are taking advantage of the international marketplace at historic levels.

U.S. exports of goods and services in 2010 increased nearly 17 percent over 2009 -- the largest year-to-year percent increase in more than 20 years. The \$1.83 trillion total in exports of U.S. goods and services represents the second highest annual total on record, only slightly off the record high of 2008. While this reflects great progress in one year, we have to think bigger and continue to adjust to the demands of the global marketplace.

Rapidly growing economies provide potentially new markets for U.S. companies. Over the past decade our exports to China and India have more than quadrupled, and in Vietnam they've increased eightfold.

As we search for ways to create jobs for American workers, increasing our nation's exports must be an important tool in our toolbox. On average, manufacturing jobs supported by exporting pay up to 18 percent more than other jobs in the economy.

That is why the National Export Initiative, which is the United States' first Presidential-led, government-wide export promotion strategy, is a significant step in the right direction for our American workers and companies.

The NEI is focused on five priority areas: (1) improving trade advocacy and export promotion efforts; (2) increasing access to credit, especially for small and midsize businesses; (3) removing barriers to the sale of U.S. goods and services abroad; (4) robustly enforcing trade laws; and (5) pursuing policies at the global level to promote strong, sustainable, and balanced growth.

The International Trade Administration was formed to promote foreign markets for American companies and workers. U.S. companies, particularly small-and-medium sized enterprises, often face hurdles when trying to close an export sale, including lack of readily available information, challenges obtaining export financing, unfair trade practices from foreign companies, and obstacles from foreign governments. That's where we can and should help.

The NEI is the Obama Administration's commitment to serve as a full partner with U.S. businesses to promote American-made goods and services worldwide, within global trading rules. At the International Trade Administration, we are doing our part to keep America globally competitive and implement President Obama's National Export Initiative.

And our work is producing results.

During 2010, the International Trade Administration assisted over 5,500 U.S. companies, 85% of which were small or midsize businesses.

For example, ITA assisted the National Raisin Company of California in entering the European market. Our officers in several European cities developed a market entry strategy for the company that included meetings with contacts in the identified countries, trade fair participation, and extensive market intelligence. As a result of our assistance, the National Raisin Company boasts exports exceeding \$250,000 to Europe.

We also assisted Pantego Overhead Doors, a family-owned garage door manufacturer of North Carolina, verify a potential buyer from the United Arab Emirates. We provided information on exporting basics, covering topics such as payment methods and how to properly fill out export documentation. As a result, Pantego completed a sale worth \$68,000.

The International Trade Administration coordinated an unprecedented 35 trade missions to 31 different countries with nearly 400 companies participating.

We recruited nearly 13,000 foreign buyers to visit major U.S. trade shows here in the United States and directly connected with U.S. companies, resulting in approximately \$770 million in export successes.

In 2010, the International Trade Administration also assisted U.S. companies competing for foreign government procurement contracts and other U.S. export opportunities, winning projects valued at \$18.7 billion in U.S. export content and supporting an estimated 101,000 jobs.

We successfully resolved some 82 trade barriers in 45 countries affecting a broad range of industries, helping to ensure U.S. companies better access overseas.

The Obama administration is committed to aggressively enforcing our trade laws to ensure a level playing field for U.S. companies and their workers, thereby increasing their competitiveness and giving them the opportunity to seek additional global markets. In 2010 we had approximately 300 antidumping and countervailing duty orders in place, covering over 120 products from 40 countries.

Through the Trade Promotion Coordinating Committee, chaired by Secretary Locke, the International Trade Administration has strengthened interagency coordination and communication to better assist U.S. companies seeking export assistance. The goal is simple: a U.S. company, large or small, seeking advice and support on exporting overseas, should be able to reach out to one point of contact in the federal government and be seamlessly linked to comprehensive information on market research, upcoming trade events, addressing trade barriers, and how to access trade financing. To achieve this goal, we have focused on improving the one-stop shop website for U.S. exporters [www.export.gov](http://www.export.gov) and cross-training federal agencies as well as state and local partners.

In 2011, we are building on this effort by working more closely with state and local governments to help make export assistance a critical building block of our nation's economic recovery at every level.

The Administration is continuing our hard work to address outstanding concerns with the pending trade agreements and to move those agreements to Congress as they become ready. As this subcommittee is aware, the U.S.-Korea trade agreement (KORUS) is ready for consideration. KORUS has already won widespread support from business, labor, agriculture, and services groups across the country. It is time to ensure the promise of KORUS is fully realized – more than \$10 billion in increased exports of goods alone, supporting more than 70,000 American jobs. President Obama is eager to see this agreement ratified, as are many of you, and requests that Congress approve this agreement.

With the same engagement and bipartisan cooperation as on the Korea agreement, we will continue to address outstanding concerns relating to the Panama and Colombia agreements. Our goal is to have all three agreements, with their outstanding issues addressed, approved by Congress. We will not be left behind as others secure greater market share at the expense of American exporters. To compete, we must access the world's fastest growing markets on a playing field that is both level and reflects our values as Americans.

The National Export Initiative is the Obama Administration's commitment to help U.S. companies compete and win in the increasingly competitive global marketplace. I look forward to our dialogue today and to future discussions. By working together, we can use common sense and find common ground on trade in order to create jobs and new opportunities for American companies and workers. I would be happy to answer any questions.