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Position on Renewal of Trade Promotion Authority

Congress has the power to grant the Executive Branch of the government trade promotion authority to negotiate free trade agreements with other countries within a framework of set standards. Such authority enables the United States to maintain its leadership position in the global economy by opening up new markets for U.S. products and providing for a level playing field in international trade. Formerly known as fast track authority, Trade Promotion Authority (TPA) has helped the U.S. to negotiate and conclude new free trade agreements (FTAs) in an efficient and timely manner.

On July 1, 2007, TPA authority expired and left the United States at a competitive disadvantage as other nations negotiate trade deals.

The United States is actively opening markets abroad for Americans with free trade agreement negotiations in: Latin America, Asia, the Middle East, and Africa. Exports to FTA partners with Agreements put into effect under this Administration are growing twice as fast as our exports to the rest of the world. Our current FTAs in force account for 7.5 percent of the world GDP (excluding U.S.) and 42 percent of U.S. exports.

Texas leads the country in exports for the seventh year in a row, with global export shipments of merchandise in 2008 totaling more than \$192 billion. From 2003 through 2008, Texas led the country in merchandise export gains, growing exports by \$69.3 billion. A total of 21,983 companies exported goods from Texas locations, with 92% of those companies being small and medium sized enterprises (SME's) with fewer than 500 employees.

Since the North American Free Trade Agreement's (NAFTA) entered into force in 1994, Texas' combined exports to Canada and Mexico have grown 216% percent. Since the entry into force of the U.S.-Chile FTA in 2004, Texas' exports to Chile have risen 335% percent. Since the entry into force of the U.S.-Singapore FTA in 2004, Texas' exports to Singapore have grown 98% percent.

America drives the world economy, but 95% percent of the world's consumers live outside of the United States. International trade is an integral part of the U.S. economy, accounting for more than one-quarter of U.S. gross domestic product and supporting more than 12 million U.S. jobs, including 1 in 5 manufacturing positions. U.S. jobs supported by goods exports pay an estimated 13 percent to 18 percent more than the U.S. national average. Further reduction in trade barriers will spur the creation of more, higher paying jobs in the United States. Services account for 8 out of 10 jobs in the United States and present an area of significant growth potential from a successful Doha round.

Trade helps to stimulate economic growth, and supports the creation of higher paying jobs, thus helping American families to meet financial obligations ranging from health care to car payments to retirement savings. Trade delivers a greater choice of goods – everything from food and furniture to computers and cars – at lower prices. Trade Promotion Authority will benefit American families by helping the United States to pursue – and implement – trade agreements. These agreements are equivalent to tax cuts, as they reduce tariffs and thus produce lower-priced goods. The two major trade agreements of the 1990s – the North American Free Trade Agreement and the Uruguay Round – generate annual benefits of \$1300-\$2000 for the average American family of four.

Renewal of TPA would enable negotiators to devote more time and resources to working through complex issues and trade relationships. The result would be better trade agreements—both for America and for America's trading partners.

