

## Trade

The American Association of Port Authorities (AAPA) favors free and open trade among nations in the Western Hemisphere and supports trade liberalization on a fair and equitable basis. For centuries, seaports have served as vital economic lifelines by bringing goods and services to people and enhancing overall quality of life. Seaports continue to be critical links for access to the global marketplace.

### Trade Promotion Authority



### Trade Benefits America

AAPA has partnered with The Trade Benefits America Coalition to promote passage of Trade Promotion Authority (TPA) legislation. The Coalition points out that trade is vital to the U.S. economy, supporting nearly 40 million American jobs and helping U.S. companies of all sizes and farmers grow their businesses. TPA is key to making sure U.S. businesses, farmers and workers get the best possible outcomes in trade agreements.

Under the U.S. Constitution, the President and Congress share power on international trade. TPA helps define this relationship in a way that creates a strong partnership between them. It gives U.S. negotiators guidelines to pursue and complete new, market opening trade agreements while enhancing Congressional input through development of negotiating priorities and oversight over the process.

TPA expired in 2007 and has been instrumental to U.S. negotiations of free trade agreements, as it allows all parties to agree on a final deal, while allowing the Senate to have an up-or-down vote. TPA is critical to finalizing the Trans-Pacific Partnership (TPP) which is being negotiated with 11 other Asia-Pacific nations, and the Transatlantic Trade and Investment Partnership (TTIP) with the European Union, both of which AAPA supports.

The TPA legislation also establishes a framework for Congress and the Executive Branch to partner in pursuing trade agreements and includes a set of legislative procedures that allows the President to submit a bill

implementing a trade agreement to Congress for an up-or-down vote within a set period of time, without amendments. The legislative procedures involve extensive consultations that are designed to improve Congressional input into and oversight of trade negotiations. The TPA legislation introduced today includes significant improvements to the 2002 TPA law in areas such as non-tariff barriers to U.S. goods and services, digital commerce, restrictions on cross-border data flows, fair competition with state-owned enterprises, labor and environmental standards, and enhanced procedures to ensure Congressional oversight and public input on U.S. trade negotiations.

These new trade agreements will level the playing field and help U.S. manufacturers export more of its products, thereby creating more U.S. jobs. According to the U.S. Chamber of Commerce more than 97% of the 300,000 U.S. companies that export their products are small and medium-sized companies, and they generate more than one-third of all U.S. merchandise exports.

### Export-Import Bank

Congress needs to pass a reauthorization of the Export-Import (Ex-Im) Bank by June 30, 2015, so it can continue full operations. AAPA has joined with the Ex-Im Coalition to help support passage of legislation.



The Ex-Im bank is an important tool to support U.S. exports by providing financing for U.S. customers abroad and helping U.S. exporters compete. Ex-Im offers loans

and guarantees to foreign purchasers of U.S. manufactured goods who meet strict lending qualifications when private-sector lenders can't or won't provide financing. Ex-Im, by law, cannot and does not compete with commercial lenders. Its mission is to fill gaps in commercial financing.

When selling internationally, small business exporters can reduce the commercial and political risks of exporting with Ex-Im Bank's export credit insurance. Exporters pay a fee for Ex-Im Bank to give them peace of mind that they will be covered if something happens to their foreign buyer, either for political reasons (if a conflict or war breaks out) or for commercial reasons (like bankruptcy).

If Congress fails to reauthorize the Bank before June 30, 2015, thousands of American exporters – and tens of thousands of businesses that provide parts, equipment and services to those exporters – will be put at risk. In FY 2014, Ex-Im financing enabled \$27.5 billion of exports that directly supported more than 164,000 jobs. If Ex-Im expires, U.S. companies will be forced to abandon opportunities in foreign markets, isolating the United States from the growth of the global economy and hurting local communities.

*March 2015*