



Opening Statement of Chairman Scott Tipton
Small Business Subcommittee on Agriculture, Energy and Trade
Hearing: “Unfair Trade Practices: Addressing Barriers Facing Small Business Exporters”
May 22, 2014

Good afternoon. This hearing will come to order.

I want to thank our witnesses for taking time away from your full time jobs for this important hearing. We look forward to your testimony.

As we celebrate World Trade Month, this is an ideal time to review our trade policy initiatives and the effects on small businesses here in the United States. Currently, there are a variety of trade policy initiatives in the pipeline; including ongoing negotiations with the Trans-Pacific Partnership, the Transatlantic Trade and Investment Partnership, and the possible renewal of trade promotion authority. These initiatives will directly, or indirectly, affect the way small firms compete and operate in the global economy.

Exports are a significant contributor to the United States economy, helping support millions of good paying jobs in trade competing industries. In 2013, the United States exported nearly \$2.3 trillion in goods and services, an all-time high. Small businesses account for a substantial share of this value. According to statistics from the United States Census Bureau, approximately 97 percent of exporting businesses are small and medium-size businesses.

While legal trade can confer many benefits for small businesses and the economy, the opposite is true when foreign nations and companies refuse to play by the established rules. Particularly, unfair and predatory trade practices like dumping and intellectual property theft can result in substantial monetary harm to small businesses in trade competing industries. In addition, an inability to protect your Intellectual Property rights can stifle the innovation necessary to come up with further technological advances.

Remedies exist for small businesses to fight these unfair trade practices. Unfortunately, in too many cases, the cost and complexity involved in fighting unfair foreign trade practices are beyond the means of most small businesses. A recent report from the Government Accountability Office highlighted some of these challenges, noting that the cost of pursuing antidumping and countervailing duty cases at between \$1 and 2 million dollars.

I have no doubt that U.S. small businesses can compete with any company in the world. As we review the current trade agenda, we need to take a dual approach of improving the coordination of domestic federal agencies and strengthening our enforcement against unfair trade practices to ensure a level playing field for small businesses.

Again, I want to thank our witnesses for participating in today's hearing. I now recognize the Ranking Member for his opening statement.