



LATIN AMERICA TRADE COALITION

July 12, 2007

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairmen Baucus and Rangel and Ranking Members Grassley and McCrery:

As business organizations collaborating in the Latin America Trade Coalition, we are writing to urge you to move forward with review and approval of the U.S.-Peru Trade Promotion Agreement (TPA) in July and with the U.S.-Colombia and U.S.-Panama TPAs as soon as possible this year.

Under your leadership, the trade agenda took important steps forward in recent months, beginning with the release in May of the “New Trade Policy for America.” Despite concessions that are difficult for some U.S. industries, the vast majority of the business community has rallied to support this new approach to trade agreements so that America’s trade agenda can continue to move forward and U.S. business and workers can remain competitive. In another step forward, the Congress voted overwhelmingly in June to support extension of the Andean Trade Preference Act, which affords duty-free access to the U.S. marketplace for nearly all exports from Colombia, Peru, and their Andean neighbors. We congratulate you for your leadership in securing approval of this important legislation.

Now, though, it is time to move quickly to review and approve the pending TPAs so that U.S.-based manufacturers, farmers, ranchers, and service providers, who currently face formidable barriers to their exports to Peru, Colombia, and Panama, can expand their exports to these markets. The U.S. International Trade Commission has estimated U.S. exports to Peru and Colombia will increase by a total of \$2.2 billion upon implementation of the agreements (its report on Panama has not yet been released but is expected to show significant increases as well). Any delay in approving these agreements only helps our competitors in other countries. In fact, the European Union and Canada are today negotiating free trade agreements with these countries, and there is a very real risk that U.S. workers and farmers will find themselves at a considerable disadvantage amid mounting competition.

In addition to these commercial benefits, the critical strategic significance of these agreements cannot be underestimated. The three agreements will enhance U.S. diplomatic and security relations with three of our closest friends and allies in Latin America and underscore U.S. support for their economic growth, democratic ideals, and social well-being.

We urge you to schedule a hearing on the Peru TPA as soon as possible in July so that the agreement can be considered and voted on before the August district work period. Throughout two democratically-elected administrations, the government of Peru has worked diligently to prepare for this agreement. Its officials have revised labor laws, resolved investor disputes, modernized sanitary regulations, and most recently passed the protocol amendment to the trade agreement just two days after it was signed by U.S. and Peruvian negotiators. As required by the implementing bill, the United States should ensure that Peruvian law conforms to the trade agreement's obligations before its entry into force. However, requiring such changes before the U.S. Congress considers the agreement runs the risk of alienating a close ally and good partner of the United States.

In the case of Colombia, delay plays into the hands of those who do not support democracy, economic development, and social progress. Few countries in the world have advanced so rapidly in recent years as Colombia. President Alvaro Uribe is the most popular elected leader in the Americas today because of his successful record of reducing violent crime, generating economic opportunities, investing in social programs, controlling narco-trafficking, and protecting human rights. To defer consideration of the U.S.-Colombia agreement will do nothing to advance this positive agenda; on the contrary, it has a much greater likelihood of undermining Colombia's dramatic recent progress.

Failure to move forward on the trade agenda does nothing to advance U.S. interests at home or abroad. More than ever, we need your leadership to move each of these agreements forward now, and we stand ready to work with you. In addition to scheduling a July hearing on the Peru TPA, we ask you to work on the Colombia TPA with interested stakeholders to develop a clear plan to address concerns not related to the agreement and allow Congressional consideration of the TPA as soon as possible this year, and to move as expeditiously as possible to consider the Panama TPA. We look forward to working with you to secure the very real benefits of these trade agreements for workers, farmers, and businesses across the United States and in Peru, Colombia, and Panama.

Sincerely,

AeA
American Apparel & Footwear Association
Association of American Chambers of
Commerce in Latin America
Business Roundtable
Coalition of Service Industries
Council of the Americas
Distilled Spirits Council of the United States
Electronic Industries Alliance

Emergency Committee for American Trade
Grocery Manufacturers/Food Products
Association
National Foreign Trade Council
Retail Industry Leaders Association
National Association of Manufacturers
U.S. Chamber of Commerce
Travel Goods Association

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