

SUBMISSION OF COMMENTS  
TO THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
ON THE US-COLOMBIA TRADE PROMOTION AGREEMENT  
SEPTEMBER 15, 2009

The Council of the Americas appreciates the opportunity to provide comments on the US-Colombia Trade Promotion Agreement to the office of the United States Trade Representative. The Council of the Americas is a business organization representing 185 member companies invested in and doing business throughout the Western Hemisphere. Since our founding in 1965, the Council of the Americas has been dedicated to the promotion of democracy, open markets, and the rule of law, and we are widely recognized for our policy and commercial leadership throughout the Americas.

The Council of the Americas strongly supports trade expansion efforts and increased investment throughout the Americas to bolster US economic and national security interests and in the belief that open markets and healthy investment flows are critical factors in the search for sustainable, equitable growth in the hemisphere. As seven former Secretaries of Commerce noted in an open letter to Congress, trade agreements remove barriers, expand trade, and help support incomes and better paying jobs in America. Consumers, workers, companies, farmers, and ranchers benefit from agreements to further open global markets to US exports.<sup>i</sup> Three key areas must be emphasized in addition to these points raised by our previous Secretaries of Commerce.

*Enforceable labor rights are contained within the agreement.* As summarized by the agreement between USTR and Congress known as the May 10, 2007 agreement, the US-Colombia Trade Promotion Agreement contains enforceable core labor standards of the International Labor Organization. The five core standards are:

1. Freedom of association;
2. The effective recognition of the right to collective bargaining;
3. The elimination of all forms of forced or compulsory labor;
4. The effective abolition of child labor and a prohibition on the worst forms of child labor; and
5. The elimination of discrimination in respect of employment and occupation.<sup>ii</sup>

The adoption, enforcement, and oversight of these core labor standards will help ensure that labor organizations in Colombia and their members receive the proper protection and rights. Colombian reforms implemented to meet the requirements of the US-Colombia Trade Promotion Agreement and its entry into force will benefit, not harm, Colombian labor. The current agreement for Colombian access to the US market, the Andean Trade Promotion and Drug Eradication Act (ATPDEA), does not contain enforceable labor standards for Colombian workers. Although ATPDEA does make reference to labor standards, the law does not automatically prevent the designation of Colombia as a beneficiary country under this act unless the President of the United States determines that such designation will be in the national economic or security interest of the United States and reports such determination to the US Congress.<sup>iii</sup> The Trade Promotion Agreement would be an important tool in the efforts to promote labor rights and protection in Colombia.

*Violence and support of Judicial Processes.* Despite vast security improvements over the last decade, the Council of the Americas recognizes that violence remains in Colombia as it does elsewhere. However, we continue to believe the US-Colombia Trade Promotion Agreement should not be delayed pending accomplishment of a perfect record in combating violence and prosecuting offenders. In fact, the TPA will enhance Colombia's ability to meet its obligations. Holding the agreement based on an unrealistic standard of perfection is counterproductive. Rather, the Council of the Americas strongly recommends the US President and the US Congress work in a proactive partnership with the Government of Colombia to put forth a multifaceted approach, including an increase of dedicated aid and technical advice, to further decrease violence and increase prosecutions within the Colombian judicial system.

*The Trade Agreement would help US exporters.* The United States must not deny US exporters and workers access to foreign markets. Currently under ATPDEA, roughly 90 percent of all goods enter the US from Colombia duty-free. However, only 3 percent of US products enter Colombia duty-free.<sup>iv</sup> Furthermore, products exported from Colombia to the US are complementary rather than competitive. Many US exports to Colombia are manufactured, while Colombia exports commodities such as precious metals. In regards to agricultural goods, many Colombian exports such as coffee and bananas are generally not produced in the United States and US goods such as wheat and barley are largely not grown in Colombia.

In 2008, the US exported \$11.4 billion dollars of goods to Colombia while the US imported \$14 billion dollars of goods from Colombia. These figures represent increases of 33 and 35 percent from the previous year, respectively.<sup>v</sup> Although Colombia's GDP ranks 36<sup>th</sup> in the world<sup>vi</sup> and represents a relatively small market for US exporters, the US is Colombia's largest trading partner purchasing 35 percent of Colombia's exports and providing 26 percent of Colombia's imports. However, US exporters have lost market share as Colombia concludes and implements trade agreements with other nations such as Canada. Between 1997 and 2007 the US share of Colombia's total imports declined from 35 to 26 percent.<sup>vii</sup> The pending agreement would help US exporters remain competitive in an important and growing market.

The Council of the Americas remains supportive of the pending US-Colombia Trade Promotion Agreement. The Council has made submissions to Congress, USITC, and among others. This information can be found at our website [www.as-coa.org](http://www.as-coa.org)

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<sup>i</sup> Former Secretaries of Commerce, Letter to Members of the U.S. House of Representatives and the U.S. Senate, December 4, 2007.

<sup>ii</sup> United States, Cong., Ways and Means Committee, "Peru & Panama FTA Changes," May 10, 2007 <http://waysandmeans.house.gov/Media/pdf/110/05%2014%2007/05%2014%2007.pdf>

<sup>iii</sup> Fourth Report to the Congress on the Operation of the Andean Trade Preference Act as Amended April 30, 2009, The Office of the United States Trade Representative, <http://www.ustr.gov/sites/default/files/USTR%202009%20ATPA%20Report%20Final.pdf>

<sup>iv</sup> United States, Department of State, "The Case for the U.S.-Colombia Trade Promotion Agreement, Strengthening Partnerships for Prosperity," <http://www.state.gov/documents/organization/88453.pdf>

<sup>v</sup> "Background Note: Colombia", Bureau of Western Hemisphere Affairs, May 2009 <http://www.state.gov/r/pa/ei/bgn/35754.htm>

<sup>vi</sup> World Development Indicators (WDI) database online, World Bank Group, July 1 2009, <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>

<sup>vii</sup> World Trade Statistics with the World, Colombian Trade Government Bureau, <http://www.coltrade.org/tradedata/worldstats.asp>