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CONTACT: [Julia Lawless](#), [Antonia Ferrier](#)  
(202) 224-4515

## HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE U.S.-PANAMA TRADE PROMOTION AGREEMENT

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining the U.S.-Panama Trade Promotion Agreement:

Sitting at the cross-roads of the Americas, Panama has long played an important role in linking economies from around the globe. As early as 1501, explorers recognized the unique geography of the isthmus could serve as a vital link between the new world and the old. Panama soon grew and prospered into a thriving marketplace through trade.

Dreams of a more efficient pathway across the seas dominated much of Panama's history. That dream was realized in 1914 when, under President Theodore Roosevelt's leadership, the United States completed construction of the Panama Canal. Today, Panama continues to pursue this dream as it engages in an ambitious construction project to broaden and deepen the canal. This work will help ensure that Panama continues to play its unique role as an international trade hub for the world's goods.

But of course Panama is much more than the Panama Canal. Today, Panama is a thriving democracy. With one of the fastest growing economies in Latin America, Panama is a land of new opportunities for workers and entrepreneurs from around the world. Panama's commitment to open markets and fiscal transparency secures its place as one of the financial hubs of the world.

With the approval of our free trade agreement with Panama, the United States has the opportunity to provide significant new access for U.S. workers to this growing economy. Today, ninety-eight percent of Panama's goods enter the U.S. duty free. Our trade agreement will turn this one-way street into a two-way partnership. Once implemented, eighty-seven percent of U.S. goods will enter Panama duty free immediately under the FTA. This is good news for workers in my home state of Utah, where we already export an average of \$4.4 million per year in goods to Panama.

The agreement locks in other benefits for U.S. workers. Services firms will have guaranteed access to Panama's 20.6 billion dollar services market. American farmers and ranchers will gain new market access through tariff reductions and a fair regulatory environment which will enable them to sell more products to Panama's growing consumer class. Small businesses from across the country will benefit from greater customs transparency and a more open government procurement market.

I hope our workers will soon have an opportunity to take advantage of this agreement. It has been almost four years since we completed these negotiations. The Obama administration first testified before the Finance Committee in conditional support of this agreement almost two years ago to the day. However, progress on the agreement stalled while the Administration attempted to formulate a framework for its trade policy. The Administration then set forth a number of labor and tax transparency conditions for Panama to undertake before they would even consider allowing U.S. workers to fairly compete in Panama's markets by sending the agreement to Congress. Now that Panama has met these demands; one would think the path forward would be assured.

Yet, the Administration continues to delay, requiring that Congress agree to an unrelated spending program before they will send the Panama agreement to us for a vote. There should be no more delay. The only workers that are going to benefit from continued inaction are in Canada and Europe. As the Administration sat by, these governments moved ahead to craft their own agreements to benefit their workers. If we don't act, these agreements will enable Canadian and European workers to leave us behind as they seize Panama's markets. The lesson is simple, if we don't take advantage of this market, others will.

This agreement will pass with strong bipartisan support, if only the Administration will take action and submit it for a vote in Congress. The benefits of this agreement have been on hold for much too long. It is time for us to approve this agreement, to provide our workers with fair access to this growing market, and to solidify our strategic relationship with a key Latin American ally.

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