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## **BAUCUS COMMITS TO PUSHING COLOMBIA FTA, EXPANDING TRADE WITH COLOMBIA**

*In Bogota Speech, Finance Chairman Says FTA Will Benefit Both U.S., Colombia, Must Be Approved This Year*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) spoke in Bogota today about the urgent need for the United States to approve the pending U.S.-Colombia Free Trade Agreement (FTA) this year. In a speech delivered before the Colombian American Chamber of Commerce, the National Business Association of Colombia and the Council of the American Enterprises, Baucus committed to expanding the economic relationship between Colombia and the U.S. He stressed that the U.S. must not allow itself to lose any further ground in the booming Colombian market due to inaction on the pending FTA. Baucus recognized Colombia's significant work to date on reducing violence, fighting drug trafficking, protecting human rights and improving labor conditions in Colombia, but reiterated that the country needs to do more and that the FTA will encourage that progress. He called on the U.S. and Colombia to develop a concrete plan to build on the tremendous progress to date strengthening human and labor rights so that the United States can approve the FTA as soon as possible this year. The full text of the speech, as prepared for delivery, follows here:

### **Remarks of Senator Max Baucus to the American Chamber of Commerce, ANDI & CEA Bogota, Colombia**

Thank you to all of the members of the American Chamber of Commerce in Colombia, ANDI, and CEA for hosting this event. Your organizations have played a critical role in strengthening ties between the United States and Colombia over many years. And thank you to my friend, Ambassador Gabriel Silva, for his gracious hospitality throughout my trip to your beautiful country.

One of my favorite authors, Nobel Prize laureate Gabriel Garcia Marquez, once said:

"It is not true that people stop pursuing dreams because they grow old, they grow old because they stop pursuing dreams."

Like people, countries remain young by pursuing their dreams. The United States and Colombia each face our own challenges.

But we never stop dreaming of a better future. And we are at our best, as countries and as people, when we help each other pursue our dreams.

I am honored to be joined on this trip by fifteen fellow Montanans. Fifteen of my bosses, as I often say. They are also pursuing their dreams. They are farmers, ranchers, small business owners, and entrepreneurs who dream of growing their businesses, creating jobs for their neighbors, and providing for their children.

If this dream sounds familiar, it should. It is the same dream that inspires the people of Colombia.

Over the years, the United States and Colombia have worked together to help our people pursue this dream. We have worked together to reduce trade barriers and strengthen our commercial ties, and we have worked together to help Colombia reduce violence and create a more peaceful, secure, and just society.

In the early 1990s, the United States enacted the Andean Trade Preference Act, or ATPA, to give Colombian exports duty-free access to the U.S. market. This program has created new opportunities for Colombian farmers, businesses and workers. And it has provided worthwhile alternatives to the illegal drug trade.

I know how important ATPA is to Colombia and to the United States. I have worked hard to extend the program over the years, and I am working hard with Ambassador Silva to do so again now. No one is fighting harder for you than he is. Together, we will get it done.

During the last decade, the United States also has provided more than \$7 billion for Plan Colombia. This program has helped Colombia fight drug trafficking, promote sustainable development and protect human rights.

With these resources and opportunities, and with courage and determination, Colombia has pursued its dream of peace and prosperity. It has achieved impressive results.

Since 2002, homicides have decreased more than 50 percent, kidnappings have declined by 93 percent, terrorist attacks have fallen by 70 percent and 45,000 former combatants have laid down their arms.

In today's Colombia, children can walk safely to school, families can visit friends and relatives and all Colombians can enjoy the natural beauty of their country.

By restoring greater peace and security, Colombia has revived its economy from a near standstill to one of the most dynamic in the hemisphere.

In the last decade, Colombia has increased its per capita income by more than 60 percent. It has tripled its international trade, and it has quadrupled its foreign direct investment.

In today's Colombia, businesses are growing, ports are bustling and foreign tourists are arriving by the planeload. In fact, the number of foreign tourists has more than doubled over the last ten years. These results are impressive, but unfinished business remains.

In 2006, the United States and Colombia signed a free trade agreement, or FTA. Colombia approved the agreement quickly and with overwhelming support, but the FTA has not yet been approved by the United States.

The people of Colombia are waiting for us to act, and their patience is wearing thin. They know the FTA benefits Colombia, they know it will guarantee permanent access to the U.S. market, and they know it will attract investment to Colombia.

How can we help the American people understand just how much the FTA benefits them as well? Which fundamental facts are most likely to build support for the Colombia FTA in the United States? I offer three.

First, Colombia is a key market for U.S. exports.

Second, by delaying approval of the FTA, the United States is losing market share in Colombia.

Third, Colombia has made significant progress in addressing concerns about human rights, including labor rights.

And now let us consider the support for each of these fundamental facts.

First, Colombia is a large, rapidly growing market for U.S. exports. This fact is obvious to you, but the importance of the Colombian market and the economic benefit of this agreement are not well understood in the United States.

Many U.S. supporters of the FTA have touted the political and national security benefits of the agreement. The FTA will, in fact, fortify relations with one of our closest allies in the world. These benefits are important and should not be ignored, but neither should we overlook the economic gains from this agreement.

Colombia is a country of 45 million people, about the same size as Korea. It is the fourth largest economy in Latin America, and it has a large and growing number of middle class consumers.

Colombia is the second largest market in South America for U.S. farmers. But U.S. exports of food and agricultural products face an average tariff of roughly 30 percent in Colombia.

The FTA would eliminate these tariffs and reduce the cost of high-quality U.S. agriculture exports, including wheat, beef, barley, peas, lentils and seed potatoes from my home state of Montana.

Colombia is also the third largest market in South America for U.S. manufactured goods. And 85 percent of U.S. exporters to Colombia are small and medium-sized businesses like the Montana companies with us here today. Their goods currently face an effective tariff rate of 14 percent in this market. The FTA would eliminate the 14 percent extra cost, making our manufactured goods more competitive and reducing costs for Colombian buyers.

Overall, the U.S. International Trade Commission estimates that the FTA would increase U.S. exports by more than \$1 billion each year.

In short, Colombia is not only a strategic ally. It is also a large and growing market for U.S. farmers, ranchers and entrepreneurs.

As we emphasize the importance of the Colombian market, we also must focus on a second fundamental fact: U.S. exporters are losing ground.

While the United States has delayed this FTA, Colombia has forged ahead with new ones. It has implemented an FTA with Brazil and Argentina, it has signed FTAs with the European Union and Canada, and it has launched FTA negotiations with Korea, Panama and Singapore. While the United States has delayed this FTA, China has tripled its share of the Colombian market. It is now Colombia's second largest trading partner.

While the United States has delayed this FTA, we are not only losing an opportunity to expand our market share in Colombia. We are losing our current market share. U.S. farmers have lost \$1 billion in sales to Colombia over the last two years. In that same period, the U.S. share of Colombia's wheat imports fell from 73 percent to 43 percent, and Argentina overtook the United States as the largest agricultural exporter to Colombia.

While the United States has delayed this FTA, we have lost more than just our market share. We have also raised questions about our leadership in the region and our reputation as a reliable partner. If we act now to approve the FTA, we can regain lost ground, restore our leadership and seize new opportunities. If we continue to delay, we will fall farther behind.

As we emphasize the importance of the Colombian market, and the consequences of delay, we also must recognize a third fundamental fact: Colombia has strengthened its protection of human rights, especially labor rights.

It is no secret that the United States has delayed approval of the FTA because of concerns about labor rights in Colombia. To move the agreement forward, we must address these concerns head on.

We ought to begin by recognizing the progress that Colombia has made in strengthening labor rights. It has enacted reforms to make it easier for workers to form unions and bargain collectively. Colombia has ratified all eight of the International Labor Organization (ILO) core conventions, and in 2010, the ILO removed Colombia from its list of countries that fail to comply with international labor standards.

Colombia has also taken significant steps to protect labor union members from violence. Colombia has established a protection program for vulnerable individuals, including union leaders. It has created a special unit to investigate and prosecute individuals charged with violence against labor union members.

As a result of these and other measures, the homicide rate of union members has declined by nearly 90 percent since 2002. The homicide rate of union members is now nearly six times lower than the homicide rate of the general population. This is remarkable progress, but the death of even one union member is one too many.

And so, President Santos is building on this progress by launching new initiatives. He chose as his running mate the founder of Colombia's largest labor union, Angelino Garzon. As Vice President, he is continuing his lifelong work to promote the rights of workers.

The Santos Administration has increased funding by \$11 million to protect vulnerable populations, and it has announced plans to better protect teachers and keep schools safe from violence.

In addition, the Colombian Congress is poised to approve the President's legislation to establish a separate Ministry of Labor. The new Ministry's sole focus would be to protect the rights of workers and promote job growth. This legislation would also create a separate Justice Ministry to step up the prosecution of violent offenders. And President Santos has proposed a groundbreaking initiative to compensate victims of violence and return land to poor farmers.

Despite this progress, more work remains. Labor rights must be strengthened, violence must be reduced and the perpetrators of violence must be identified and punished.

No one is more committed to completing this work than the people of Colombia.

And the FTA will help. The FTA commits both parties to protect fundamental labor rights. And this commitment would be fully enforceable, just like the commercial provisions in the agreement.

In the coming days and weeks, the United States and Colombia should develop a specific plan that builds on the tremendous progress to date in strengthening labor rights and prosecuting labor violence.

The time to act is now. As I noted at the outset, Gabriel Garcia Marquez reminds us of the importance of pursuing our dreams.

I want to help my fellow Montanans, and millions of other people just like them in both the United States and Colombia, pursue their dreams of a brighter future for their children, neighbors, and communities.

The U.S.-Colombia FTA is part of that brighter future.

I will do everything I can to make that future a reality, and I am committed to ensuring that the United States approves the FTA as soon as possible this year.

Thank you.

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