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BAUCUS HAILS PANAMA'S ACTIONS TO CLEAR PATH FOR FTA, DETER CORPORATE TAX EVASION

Finance Chair Welcomes Pledge from Administration to Begin Work on Panama FTA Implementation Bill

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) hailed the final steps Panama took today to ratify a Tax Information Exchange Agreement (TIEA) with the United States, which was one of the final outstanding issues delaying U.S. approval of the pending Free Trade Agreement (FTA) between the two nations. Baucus also welcomed a letter from U.S. Trade Representative Ron Kirk indicating that the Administration is ready to begin technical discussions on the bill to implement the U.S.-Panama FTA.

“With today’s announcement, the U.S. and Panama have cleared the final hurdle before the Free Trade Agreement can be approved,” said Baucus. **“The next step is to agree on an implementing bill so we can get the agreement before Congress. The sooner we enact the Free Trade Agreement with Panama, the sooner our ranchers, farmers and manufacturers in Montana and across the country will start to see the benefits.”**

Outstanding issues with the U.S.-Panama FTA, most notably on labor rights and tax transparency, have delayed approval of the FTA since it was signed in 2007. But Panama has made significant progress on both fronts, with the Panamanian government’s ratification of the TIEA today and several labor rights laws enacted in recent months. The TIEA brings Panama into compliance with Organization for Economic Cooperation and Development standards that require certain steps be taken to prevent a country from becoming a tax haven in which taxpayers can hide profits to dodge tax obligations in the U.S.

Baucus has urged the Obama Administration to move forward with the U.S.-Panama FTA, most recently at a [Finance Committee hearing held last month](#) with Ambassador Kirk. Once fully implemented, the FTA will give U.S. agricultural and manufactured goods duty-free access to the Panamanian market.

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