



FOR IMMEDIATE RELEASE

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## **BAUCUS LEADS SENATE PASSAGE OF COLOMBIA, PANAMA, SOUTH KOREA FTAS**

*Finance Chairman: Trade Deals Will Spark U.S. Economy, Create Tens of Thousands of Jobs*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) led the Senate today to pass implementing legislation for the Colombia, Panama and South Korea Free Trade Agreements (FTAs) and an extension of the Andean Trade Preference Act (ATPA). The trade agreements will increase U.S. exports by \$13 billion each year and boost U.S. Gross Domestic Product by more than \$15 billion, creating tens of thousands of jobs in the process.

**“These free trade agreements will give our economy a much-needed shot in the arm and create tens of thousands of American jobs. The passage of these agreements today is a significant victory for American workers and businesses, and will help create jobs here at home,”** Baucus said. **“Lucrative, fast-growing overseas markets represent an enormous opportunity for our workers, farmers, ranchers and businesses to find new customers for their world-class products. These trade deals, along with the job-training program Trade Adjustment Assistance, equip our workforce with the tools it needs to capitalize on new market access abroad and create American jobs.”**

The FTAs will provide a multi-billion dollar boost to the U.S. economy and create tens of thousands of American jobs by breaking down barriers to trade and putting U.S. exporters on a level playing field in lucrative, fast-growing markets. The Colombia FTA implementing legislation extends ATPA retroactively from February 12, 2011 and through July 31, 2013. ATPA lowers costs for U.S. manufacturers by giving them duty-free access to goods from Colombia and Ecuador and encourages both countries to diversify their economies away from illicit drug production. Baucus is a longtime champion of the FTAs and ATPA and has been fighting for months to enact them in tandem with a renewal of Trade Adjustment Assistance (TAA), which helps American workers retrain and find good-paying jobs here at home. Baucus led the Senate [last month](#) in passing a bill extending both TAA and the Generalized System of Preferences (GSP), which lowers costs for U.S. manufacturers and retailers by giving them duty-free access to components they need.

Baucus has emphasized the importance of enacting the FTAs along with TAA [at yesterday's committee markup](#) of the implementing legislation and at separate committee hearings on each of the [Colombia](#), [Panama](#) and [South Korea](#) free trade agreements. Earlier this year, Baucus also traveled to Colombia and [met with Colombian leaders](#) to advance the pending U.S.-Colombia FTA and identify ways to [boost U.S. exports](#) to Colombia.

A detailed fact sheet about the FTAs is attached and available below:

# **Free Trade Agreements with Colombia, Panama and South Korea**

## **The U.S.-Colombia Free Trade Agreement**

### ***U.S.-Colombia Trade***

- Among South American countries, Colombia is the third-largest destination for U.S. exports and the second-largest market for U.S. agricultural exports.
- The vast majority of Colombian goods typically receive duty-free treatment in the U.S. market, so the FTA will level the playing field for U.S. exporters by removing Colombia's tariffs on U.S. goods.

### ***Creating American Jobs and Improving our Economy***

- Enacting the FTA means U.S. exporters will be able to regain market share lost to other countries that have signed FTAs with Colombia, including Brazil, Argentina and Canada.
- The FTA will increase U.S. exports by more than \$1 billion each year and increase U.S. GDP by \$2.5 billion, creating thousands of new jobs here at home.
- More than 80 percent of U.S. exports will immediately gain duty-free access, and the remaining tariffs will be phased out over the next 10 years.
- In addition to boosting manufactured and agricultural exports, the FTA will also provide new access for U.S. service suppliers to Colombia's \$166 billion services market.

### ***Labor Rights***

- The FTA includes the strongest labor provisions of any trade agreement in the world, and Colombia agreed to a Labor Action Plan, which one prominent labor group described as "the most important agenda for the labor movement" since Colombia's 1991 Constitution.
- The FTA requires Colombia to adopt and maintain laws to implement five core labor standards: the right to organize; the right to bargain collectively; prohibitions on forced labor; protections for child labor; and freedom from employment discrimination.
- Colombia has met all of the Action Plan's commitments to date to increase protection of labor activists, enforce core labor rights and reduce impunity for perpetrators of violence against union members.

## **The U.S.-Korea Free Trade Agreement**

### ***U.S.-Korea Trade***

- While the U.S. was once South Korea's largest trading partner, it is now the fourth-largest.
- The U.S.-Korea FTA will boost U.S. exports to South Korea by one-third and cut the bilateral trade deficit in half, giving American exporters the opportunity to recover lost market share.

### ***Creating American Jobs and Improving our Economy***

- Manufacturing exports will increase by nearly \$10 billion, and services exports will also see sizable gains.
- U.S. agricultural exports like beef, poultry and pork could increase by as much as \$4 billion thanks to decreased tariffs, which also contributes to job creation.

### ***Enhanced Market Access for Autos and Beef***

- The Administration has committed to improve access for U.S. beef by creating a fund to promote beef sales in Korea and committing to remove unscientific barriers.
- The U.S.-Korea FTA will help level the playing field for U.S. automakers by eliminating more non-tariff barriers on U.S. autos in Korea.

## **The U.S.-Panama Free Trade Agreement**

### ***U.S.-Panama Trade***

- Panama has one of the highest growth rates among Latin American nations, and the U.S. is currently its largest supplier of imports.
- Most goods exported from Panama to the U.S. already receive duty-free access, and the FTA will level the playing field for U.S. exporters by removing Panama's tariffs on U.S. goods.

### ***Creating American Jobs and Improving our Economy***

- The FTA will guarantee access to Panama's \$20.6 billion services market.
- The FTA will also increase U.S. access to more than \$15 billion in infrastructure projects in Panama, providing new opportunities to infrastructure machinery and equipment manufacturers.
- More than 87 percent of U.S. consumer and industrial exports to Panama will become duty-free immediately, and the remaining tariffs will be eliminated within the next 15 years.

### ***Tax and Labor Issues***

- The FTA includes strong language to crack down on tax evasion and money laundering in Panama.
- A new Tax Information Exchange Agreement signed in April brings Panama into compliance with OECD standards that prevent countries from becoming a tax haven.
- Panama also enacted strict new reforms to protect core labor rights.

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