



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the Andean Trade Preferences Act Extension**

Mr. President, today, the Senate takes the important step of extending the Andean Trade Preferences Act for 10 months. This follows action in the House yesterday on the same bill. We can now ensure continuation of this important program before it expires tomorrow.

I would have preferred a longer term extension of ATPA. But a 10-month extension is a sound compromise. It is good for America. And it is good for our Andean neighbors.

In recent weeks, we have had a lively debate over the value of this preference program. Opponents point to one-sided benefits. They warn against risky investments.

Proponents say that our Andean preferences complement drug eradication efforts. We say that they create jobs in both developing countries and here at home.

Today as in the past, I support ATPA. ATPA is an investment in mutual prosperity and regional stability. It is good foreign policy. ATPA is a boon to the developing economies of Peru, Colombia, Bolivia, and Ecuador. It brings economic development where poverty persists. It encourages alternative crops where illegal drugs plague the landscape. It creates jobs where there have long been too few. And it can provide a platform for more comprehensive engagement, such as the free trade agreements that Peru and Colombia have negotiated with the United States.

The economic benefits of ATPA are mutual. Flower exports from Colombia and Ecuador employ Andean agriculture workers in their countries. And they also create transportation and retail jobs here at home.

The United States sells its cotton to Andean buyers, who make it into fabric and apparel. And that creates jobs for American farmers and skilled Andean labor. It is precisely this mutual prosperity that has earned the Andean Trade Preferences Act the broad support it commands, even from sectors that have traditionally been wary of trade.

But as important, we must recognize that ATPA benefits are neither handouts nor freebies. To benefit from preferences, each ATPA partner must meet strict eligibility criteria. Beneficiaries must afford internationally recognized worker rights. They must protect and enforce intellectual property rights. They must cooperate in counternarcotics efforts. And they must ensure the integrity of U.S. investments by, among other things, honoring contracts with U.S. investors and abiding by investment decisions made by arbitral panels.

These eligibility requirements are not optional. If a country does not comply, it should not receive ATPA benefits. Actions have consequences. The U.S. will notice and take into account actions in ATPA countries that unfairly hurt U.S. interests. Ecuador, in particular, has taken actions in recent years that call into question its intention to abide by the ATPA conditions related to investment. These developments are, at best, discouraging. At worst, they might be disqualifying.

In the next few months, I will work with Senator Grassley and others to closely monitor whether our ATPA beneficiary countries meet these eligibility criteria. And I will work to monitor whether the administration is doing enough to enforce them.

ATPA is good policy. But, as with most policies, hard work can make it better. As in the past, I will continue to work with opponents and supporters to ensure that all of the elements of the program are upheld. I will work to see that not just the trade benefits, but the eligibility requirements as well, are upheld. When everyone is playing by the rules, we will have a comprehensive program that is as good for the United States as it is for Peru, Colombia, Bolivia, and Ecuador.

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