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BAUCUS, GRASSLEY, RANGEL, AND MCCRERY APPLAUD RENEWAL OF KEY TRADE PREFERENCE PROGRAMS

*Finance and Ways and Means Chairmen and Ranking Members Champion Programs
that Provide Benefits to more than 130 Countries*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont), Ranking Member Charles Grassley (R-Iowa), House Ways and Means Committee Chairman Charles Rangel (D-NY) and Ranking Member Jim McCrery (R-La) today welcomed passage of legislation that renews the Generalized System of Preferences (GSP) and the Andean Trade Preference Act (ATPA), affords the Dominican Republic enhanced access to the U.S. market in a way that benefits U.S. producers, and allows America’s trade preference program with Africa to work better.

“These trade programs provide more than 130 countries, and millions of people around the world, with a way out of extreme poverty. But they’re not a blank check,” said Baucus. **“To receive preference benefits, countries must protect American investments and innovations, and take steps to protect their workers. I’m proud that I was able to work with Senator Grassley, Chairman Rangel, and Mr. McCrery to secure passage of this important legislation.”**

“This is a good outcome in extending Andean trade preferences. Peru and Colombia have pursued a strong reciprocal trading relationship with the United States and are being treated accordingly. Bolivia and Ecuador have taken different paths. Andean trade preferences are an important part of the compact we share with our Andean neighbors in our counter-narcotics effort. If that compact breaks down, it erodes part of the basis for extending these unilateral preferences. By the same token, if investor protections and contract rights are threatened, it calls into question our broader economic relationship. Today’s outcome gives those countries a chance to address these concerns,” said Grassley.

“I am glad we found a way to come together to extend these vital trade benefits before they expired,” Chairman Rangel said. **“Everyone recognized that we not should let these programs languish and the final result is an affirmation of our commitment to our developing country trading partners and the important role that rules-based trade can play in fostering development.”**

McCrery said, “This package enhances the already impressive benefits that U.S. workers have realized from CAFTA and extends the Generalized System of Preferences. It also extends preferences to Colombia and Peru for one year, as a temporary measure until we can enter into fair trade agreements with those countries. I hope that Congress will approve legislation, long before renewal comes up again; to implement the fair trade agreement we’ve already negotiated with Colombia, opening the Colombian market to products made by American workers. With respect to Ecuador and Bolivia, however, the legislation extends preferences for only six months and provides an opportunity for extension for an additional six months only under certain circumstances tied to their compliance with their obligations under the program. This markedly different treatment reflects my deep concern about Bolivia’s lack of cooperation in the drug war, as well as the continuing deterioration in the treatment of American investors in both Ecuador and Bolivia.”

The legislation passed today renews GSP for one year. It renews ATPA for (1) one year for Colombia and Peru, (2) six months for Ecuador plus an additional six months unless the administration determines that Ecuador does not satisfy ATPA criteria, and (3) six months for Bolivia plus an additional six months only if the administration determines that Bolivia satisfies ATPA criteria. Today’s legislation also permits certain apparel products from the Dominican Republic, which use U.S. fabric and a limited amount of third country fabric, to enter the U.S. market duty-free. Finally, the legislation amends the African Growth and Opportunity Act to repeal the abundant supply provision to ensure that African countries can use third country fabric in apparel qualifying for duty free treatment. It also extends to Mauritius the ability to use third country fabric in AGOA-qualifying exports.

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