



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: U.S.-Dominican Republic trade agreement
Da: Monday, March 15, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, today welcomed the conclusion of negotiations of the U.S.-Dominican Republic Free Trade Agreement (FTA). The U.S.-Dominican Republic FTA will be “docked onto” the U.S.-Central American Free Trade Agreement (CAFTA), which was recently concluded between the United States and Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. Sen. Grassley’s statement follows:

“I’m pleased with the conclusion of negotiations of the U.S.-Dominican Republic Free Trade Agreement. This agreement will benefit American agriculture, American manufacturing, and American consumers.

“For America’s manufacturers, the agreement provides that tariffs on 80 percent of U.S. manufactured products will fall to zero immediately. That’s good news for our factory workers.

“The agreement provides major gains for Iowa farmers. The FTA will lock in the Dominican Republic’s current applied tariff rate at zero for imports of corn and soybeans from the United States. Without the FTA, the Dominican Republic would be able, under its WTO commitments, to raise its duties on U.S. corn to up to 80 percent and on U.S. soybeans to up to 40 percent. With the phase-out of the Dominican Republic’s duties on U.S. pork and beef, Iowa’s hog producers and cattle producers will also benefit. Moreover, as part of the FTA package, the Dominican Republic has agreed to accept the U.S. meat inspection system as equivalent to its own prior to the implementation of the agreement. This change in Dominican Republic policy will be key for U.S. pork and beef producers to benefit from the agreement. I will closely monitor the Dominican Republic’s actions in this area to make sure the country follows through with this commitment.

“U.S. agriculture is dependent upon export markets. The U.S.-Dominican Republic FTA, combined with the CAFTA, will lead to even greater market access for U.S. farm products in the Western Hemisphere. The U.S.-Dominican Republic FTA is a good agreement for agricultural producers in Iowa and other states.”