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Mr. Chairman and Members of the Senate Committee on Finance, thank you very much for the opportunity to be here today. It is a privilege to testify before you and to describe the very real and tangible effects that trade preferences have had on my company and on my country, Bolivia.

I have the honor of presiding over Ametex, a vertically integrated apparel manufacturing company based in La Paz. When the company was founded in 1965, we employed fewer than 200 workers, generated total annual sales of less than \$1.5 million, and managed our operations using technology from the 1930s. We spent the first 20 years of our history providing to the local market. In those days, competitiveness was based on a strictly protected market from imported products. Sales, to a large degree, depended on government acquisitions. Workers had tenure, but labor conditions were inadequate due to a lack of economic resources. Labor and management relations were paternalistic at best and frustrating in terms of results.

In the mid-1980s, our lives changed. Devastating hyperinflation in Bolivia led, in 1986, to the complete disappearance of Ametex's local market. As a matter of survival, we decided to seek a foreign market, which we soon found in the U.S. and which resulted in modest revenues of \$1.2 million. Then, in 1991, with the enactment of the Andean Trade Preference Act (ATPA) and followed in 2002 by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the economic landscape changed in such a way that it is nearly impossible to overstate its effect.

With sustained yearly growth rates of 30% since ATPDEA's enactment, Ametex is now able to export 85% of our total annual production, with 90% of our 10 million garments going directly to or through the United States. Because of ATPDEA, we have built a company that achieved sales of \$50 million dollars in 2006 and employs—until a few months ago—4,500 people, making it Bolivia's largest private sector employer.

The jobs we provide, as our workers can attest, are unique. Ametex pays its workers three times the national minimum wage. We have five in-house unions, two representatives of which have accompanied me here today. Our working standards are in full compliance with human rights and fair labor practices, as certified by the World Responsible Apparel Production (WRAP) organization, which monitors and certifies compliance with internationally-recognized standards for manufacturing practices.

The 4,500 jobs we provide—which owe their very existence to ATPDEA—have created real opportunities for working people in an economy where alternatives to the informal, or worse, illegal markets, are increasingly scarce. In Bolivia, which is now facing the

very real problem of its skilled workers increasingly choosing to emigrate to Brazil, Argentina, or Spain, the existence of good-paying, skilled, and sustainable jobs—like the ones provided by Ametex—has become an all-too-visible rarity.

I am also joined here today by eight business leaders representing the hundreds of companies that have been built in Bolivia since the inception of ATPDEA and who are part of the miracle of being proud suppliers to the United States, the most exquisite and demanding market in the world. They add their voice to mine as I speak before you today.

While our success, like that of our workers, can be accurately attributed to the energy we bring to our work, without ATPDEA, none of this would have been possible. In this regard, we extend our deep appreciation and gratitude to the Government of the United States of America. But make no mistake, ATPDEA is no handout. Rather, Andean trade preferences bring out the best of what we, as Bolivians, know we are capable. Trade preferences enable the entrepreneurial spirit to spring forth in Bolivia, a country where private enterprise is continuously under attack. Trade preferences give growing businesses the opportunity to reach their potential and have led to the employment of hundreds of thousands of people in the Andean region.

In Bolivia's "survival economy" where at least 70% of the jobs are in the informal sector, Ametex stands as an example of how an export-oriented company—employing formal business practices and in strict compliance with the law—can achieve sustained success and continue to grow, while providing livelihoods and hope for the futures of thousands of Bolivian workers and their families.

Unfortunately, this is where our story takes a dramatic turn—and that turn is for the worse. It is clear that ATPDEA has been an economically stabilizing force in the region, having contributed to the expansion of the private sector as well as creating thousands of good paying, high quality jobs. Yet, this very stability is threatened today by ATPDEA's impending expiration on June 30, 2007.

It is for this reason—and this reason alone—that we have traveled here to be with you today. Since January of this year, as each successive day counts down towards ATPDEA's expiration, Ametex has been forced—against our wishes—to lay off hundreds of workers because our U.S. buyers are canceling orders—30% in just the last couple of months and we have been unable to secure any new buyers! These buyers are canceling orders not because our products are inferior but because they fear that ATPDEA will not be renewed. The lack of clear intention on the part of the U.S. Congress has forced our buyers to seek other suppliers in order to remain competitive and secure stable sources for their production.

What is clear is that without the security that ATPDEA brings to the business cycle, Ametex—and other businesses—will not survive. If Ametex disappears, so do the livelihoods of 4,500 people, which are disappearing each day so long as the uncertainty of renewal remains. Today, while we have the privilege of debating the merits of trade

preferences, the lives and hopes of 4,500 people and their families are not the only thing that hangs in the balance. The future of my country, Bolivia—some would also say—hangs in the balance between opposing ideologies and visions for its future. From our perspective, renewal of ATDPEA sends a strong signal that the U.S. is committed to helping provide opportunities for economic—and, by extension—democratic development in Bolivia.

Today, we—as owners and as workers—respectfully ask that the honorable members of the Senate Committee on Finance consider the merits of our case and renew trade preferences for Bolivia.