

**Statement by Ambassador Miriam Sapiro
Deputy United States Trade Representative**

Before the Senate Finance Committee

**Washington, DC
May 11, 2011**

Chairman Baucus, Ranking Member Hatch, Members of the Committee, it is an honor to have the opportunity to testify before you today about the U.S.-Colombia Trade Promotion Agreement (the “Agreement”).

Supporting more and better paying jobs for Americans through trade is a top priority for President Obama. Our Administration is pursuing multiple initiatives to open global markets, dismantle barriers to our exports and vigorously defend America’s trade rights. As part of this comprehensive strategy, President Obama directed us to work with Congress and other stakeholders to build bipartisan support for the pending trade agreements with South Korea, Panama, and Colombia.

The President firmly believes that our trade agreements must advance both our economic interests and our core values. The Administration had concerns about certain aspects relating to each agreement and determined that further improvements would be necessary to allow American workers, manufacturers, farmers and ranchers to compete on a fair and level playing field. In each case, we

worked intensively to address these concerns and forge broader bipartisan support. With South Korea, we succeeded in addressing market access issues for autos. With Panama, we worked hard to address labor rights and tax transparency questions. And with Colombia – the focus of today’s hearing – we succeeded in developing an Action Plan Related to Labor Rights (the “Action Plan”) to address serious concerns regarding labor protections, violence and impunity. Last week, staff from this Committee made history when they joined with colleagues from the House Committee on Ways and Means and USTR to begin informal drafting sessions on three trade agreements simultaneously.

There is no question that Colombia has made important strides in protecting labor rights and reducing threats of violence over the past decade. But it was equally clear that more needed to be done, from preventing practices that undermine fundamental labor rights, to enhancing protection for union activists, to strengthening the investigation and prosecution of labor-related violence.

We have a willing partner in the Santos Administration, already dedicated to protecting the rights of all citizens and promoting social justice. An early signal that President Santos would be a strong proponent of workers’ rights was his choice of a running mate, former labor leader Angelino Garzón. One of President Santos’ first initiatives was to pursue reparations for victims of state-sponsored

violence; another was to grant restitution of land to displaced persons on an unprecedented scale.

Working together, the Obama and Santos administrations reached agreement on the Action Plan, which the two Presidents announced on April 7. My colleague, Deputy Under Secretary of Labor Sandra Polaski, played a key role in developing and negotiating the Action Plan, which she will describe in more depth. Specific improvements that have already occurred under the Action Plan include expanded eligibility for Colombia's protection program to include not only labor leaders, but also rank and file activists and those seeking to form a union. Over 95 judicial police investigators have been assigned exclusively to pursuing cases of labor violence, with early identification of any union affiliation now mandatory. And ahead of schedule, Colombia enacted legislation to move up the effective date of new penalties for abuse of cooperatives to evade worker protections.

Colombian unions have reacted positively to the Action Plan. According to Julio Roberto Gómez, Secretary General of the Confederación General de Trabajo, it "is positive that President [Santos] put forth an agreement that includes issues such as freedom of association, human rights and guarantees for workers as they are related to the FTA." Or, as José Luciano Sanín, Director General of the Escuela Nacional Sindical, has observed, "we are witnessing a moment that we have not

had in at least twenty years. After the 1991 Constitution, this would be the most important agenda for the Labor Movement.”

Colombia’s actions to date have enabled USTR and Congress to begin the technical discussions now under way regarding the text of the implementing bill for the Agreement. As Ambassador Kirk’s letter to you noted, Colombia still has important work to accomplish to address additional elements of the Action Plan before the President will formally submit the Agreement to Congress for consideration. I am pleased to announce that our work with Colombia on the remaining tasks under the Action Plan is well underway.

As noted earlier, the Agreement will provide significant economic and commercial benefits for our exporters. The International Trade Commission has estimated that it will expand exports of U.S. goods to Colombia by more than a billion dollars, increase U.S. GDP by \$2.5 billion, and support thousands of additional jobs for our workers. We must of course ensure that U.S. workers, businesses, farmers, and ranchers will be able to enjoy these substantial benefits, as we recognize that the Colombian Government has already negotiated trade agreements with some of our toughest competitors.

Under our Agreement, tariffs on most U.S. goods sold in Colombia would be eliminated immediately. The rest would be phased out over defined time periods. U.S. companies would also enjoy significant new access to Colombia's \$134 billion services market, improved intellectual property rights protection, increased government procurement opportunities, and safeguards against discriminatory or unlawful treatment by Colombia.

In addition, the Agreement will help strengthen the Colombian economy and promote its growing middle class, thereby bolstering a steadfast strategic partner in this Hemisphere. Furthermore, the Agreement will help cement our broader relationship with a country that plays an increasingly important role both in the region and around the world, including at the U.N. Security Council and in peacekeeping operations.

While Colombia has been working closely with us on the Action Plan and other initiatives, it has nevertheless suffered from a loss of preferential access to the U.S. market since the Andean Trade Preference Act (ATPA) lapsed earlier this year. The Obama Administration urges Congress to renew both the ATPA and the Generalized System of Preferences (GSP) programs for as long as possible. This is the right thing to do for our preference program beneficiaries, and for the

American businesses that rely on these imports. In the case of Colombia, an extension would restore the preferences until our trade agreement enters into force.

Along with renewal of our preference programs, we urge Congress to keep faith with American workers by renewing Trade Adjustment Assistance (TAA). We look forward to working with Congress on a robust TAA program that will support Americans who need training and other services when their jobs are affected by trade. TAA is a key component of the President's legislative trade agenda, along with renewal of our preference programs and Permanent Normal Trade Relations for Russia as that country joins the World Trade Organization.

We are eager to work with this Committee, and Congress as a whole, to accomplish all of these objectives this year. America is strongest when our economic interests and our core values reinforce one another. Working together, Congress and the Administration can succeed in creating the balanced and comprehensive trade agenda that America deserves.

Thank you.