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## **BAUCUS LAUDS ACTION TO BEGIN APPROVAL OF COLOMBIA FTA, EAGER TO MOVE FORWARD**

*Finance Chair Led Congressional Fight for Action on FTA to Create \$2.5 Billion Boost for U.S. Economy*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) today hailed the Administration’s crucial first step to approve and implement the U.S.-Colombia Free Trade Agreement (FTA) and welcomed the letter from U.S. Trade Representative Ron Kirk stating the Administration is ready to begin technical discussions on the bill to implement the FTA. Baucus, who led the fight urging the Administration to send the job-creating agreement to Congress, said he is eager to begin Congressional work to advance the agreement.

**“Today’s announcement is a critical victory in our efforts to pass the Colombia Free Trade Agreement and for U.S. ranchers, farmers and manufacturers. This trade agreement means new jobs for American workers and a two and a half billion dollar economic boost for the U.S. economy,”** said Baucus. **“The Labor Action Plan will strengthen the rights and protections of Colombian workers and help ensure a level playing field for U.S. workers. Passing this trade agreement together with a long-term extension of a robust Trade Adjustment Assistance program will help U.S. businesses grow and create jobs here at home, restore our leadership in the region and create new opportunities for American workers.”**

[Baucus has been an important leader in Senate efforts to pass the Colombia FTA](#) to expand access to the Colombian market for ranchers, farmers and businesses in the United States. In February, he traveled to Colombia [to meet with Colombian President Juan Manuel Santos](#) and [other senior government officials](#) to promote the FTA and [examine ways to continue to improve labor rights](#) there. Baucus also pressed Ambassador Kirk at [a March 9 Finance Committee hearing](#) to identify the specific steps Colombia should take and to provide an expeditious timetable to move the Colombia FTA through Congress, [as requested in a letter](#) from Baucus and Finance Committee Ranking Member Orrin Hatch (R-Utah).

Senator Baucus has urged Colombia to address concerns related to worker rights, which have delayed approval of the FTA in the United States. Baucus has called on Colombia to strengthen the enforcement of core labor rights, including the right to organize and bargain collectively, improve protection of labor activists from violence, and step up prosecutions of those who perpetrate violence. On April 7, 2011, the United States and Colombia agreed to the Colombian Action Plan Related to Labor Rights, which commits Colombia to achieve these objectives. The Action Plan includes a series of steps that Colombia must take in order for the FTA to move forward and enter into force. The letter from Ambassador Kirk indicates that Colombia has made sufficient progress in order for the technical work on the implementing bill to begin.

The United States already has programs that permit more than 90 percent of Colombian exports to the United States to receive duty-free treatment, so the FTA will level the playing field for ranchers, farmers and businesses in Montana and across the United States, providing them with the same unrestricted access to the Colombian market that Colombian exporters have enjoyed in the U.S. Once the Colombia FTA is approved and fully implemented, Colombia's existing average 30 percent tariff on U.S. food and agricultural products and its effective 14 percent tariff on U.S. manufactured goods will end.

More than 10,000 U.S. companies, ninety percent of which are small- and medium-sized businesses, export to Colombia and will benefit from increased access to that market. The Colombia FTA is particularly critical to U.S. agricultural producers. Historically, Colombia has been a top export market for U.S. wheat producers, but despite its advantages, the United States has lost its share of the Colombian wheat market to Argentina and Canada, dropping from 73 percent in 2008 to 43 percent in 2010.

After receiving [a commitment today from the Administration to expand access for U.S. beef in Korea, Baucus pledged his support for the Korea FTA](#) as it moves through the Senate and stated he will work with the Administration on a package of trade measures including the pending FTAs with Korea, Colombia and Panama, as well as renewal of Trade Adjustment Assistance and key trade preference programs.

Baucus has been a long-time champion of the TAA program, which expired on February 13, 2011. Baucus is working with his colleagues in the House and Senate to extend TAA for all eligible groups. In 2009, Baucus led the effort in Congress to pass the most significant expansion and reform of the TAA program, including new performance measures, since it was created in 1962. TAA provides extended income support and job training to workers, firms, ranchers, farmers, and communities that experience job loss because of increased imports or factory shifts abroad and also helps prevent layoffs entirely by assisting trade-distressed companies retool and become more competitive.

Baucus has also been a strong supporter of the Andean Trade Preference Act (ATPA) and the Generalized System of Preferences (GSP). Both programs give developing countries duty-free access to the U.S. market for certain products, helping those developing economies grow and emerge from poverty. ATPA, which Congress established in 1991 to encourage Andean countries to diversify their economies away from illicit drug production, provides Colombia and Ecuador with duty-free benefits on a wide range of products. The expiration of this program comes at a particularly difficult time for Colombia, where heavy rains have caused flooding and landslides that have killed more than 250 people, severely damaged agricultural crops and public infrastructure, and resulted in total economic losses of \$5 billion. The GSP program covers a variety of products from almost 130 developing and least developed countries.

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