

Remarks by Ambassador Susan C. Schwab  
United States Trade Representative

“The U.S. – Colombia FTA: A Capitol Hill Conversation”

February 27, 2008

*\*\* AS PREPARED FOR DELIVERY \*\**

---

Thank you for that introduction. I am honored to be kicking off this timely event focusing on the importance of the Colombia Trade Promotion Agreement. The panels that will follow look intriguing.

Passing this Free Trade Agreement with Colombia is not only at the top of my priority list, but also that of the President. Trade had a prominent role in the President’s State of the Union speech because it is in our national interest.

President Bush meant it when he called for the passage of the Free Trade Agreements with Colombia, Panama and Korea; the conclusion of a successful Doha Round; and the extension and reform of Trade Adjustment Assistance.

He noted that “Our economic growth [today] increasingly depends on our ability to sell American goods and crops and services all over the world.”

In fact, the Department of Commerce recently reported that exports of goods and services were responsible for more than 40 percent of U.S. economic growth last year.

And beyond its economic and commercial value, President Bush pointed out the critical geopolitical implications of the Colombia:

“If we fail to pass this agreement,” he said. “We will embolden the purveyors of false populism in our hemisphere. So we must come together, pass this agreement, and show our neighbors in the region that democracy leads to a better life.”

It is hard for me to imagine a higher calling than what we as a nation can do through our trade policies to promote growth – at home and abroad, to expand the base of those who benefit from trade, and to help lift millions out of poverty.

A successful Doha Round, passage of our Free Trade Agreements and TAA offer such a path.

Now is the time to work together to make our move.

First up on our legislative agenda this year is the Colombia FTA.

Congress is once again working to extend the Andean Trade Preferences Act that will keep open our market to products from Colombia. Now, we need Congress to work with us to open the other door – the door that allows American products to flow into Colombia on a reciprocal basis.

Today, 92 percent of U.S. imports from Colombia face absolutely no duty at all as a result of unilateral U.S. preference programs.

At the same time, Colombia's tariffs on most imports from the United States range from 5 to 15 percent with some as high as 35 percent.

Therefore, for every day we stall before acting on the Colombia FTA, we are cheating our own exporters – manufacturers, service providers, and agricultural producers. These exporters include thousands of small and medium size businesses that stand to benefit from better access to Colombia and its 44 million consumers.

We should not be short-sighted. We should work together to lock in a long-term trade partnership.

The Government of Colombia and the vast majority of Colombians are smart enough to realize that there is a difference between temporary preferences and the permanent exchange of preferences through an FTA between sovereign nations that respect each other and share the same basic values.

Critics of this agreement claim that their opposition is rooted in Colombia's inability to corral systemic violence – including that which has impacted some of the country's union members. They question the Colombian government's commitment when it comes to bringing these perpetrators to justice.

Yet, a variety of independent studies paint a very different picture.

Thanks to the Colombian Government and to Plan Colombia – which, I might add, is a bipartisan initiative originally launched by the Clinton Administration – the progress on the ground is heartening and inspiring, and represents real results.

One recent study shows that levels of violence have been reduced substantially, with the murder rate at its lowest level in 20 years, and with kidnappings down almost 80 percent since 2001.

In fact, since 2002 the homicide rate of the general population has dropped by 40 percent, and homicides of unionists have dropped even more dramatically during that period – by 85 percent.

In addition, more than 31,000 paramilitary members have demobilized collectively under the 2002 Justice and Peace Law, and over 10,000 former guerilla members have demobilized individually.

And the criminal drug threat, while still a monumental challenge, is being met head-on by Colombian authorities who are making steady progress working with us to bring drug kingpins to justice in record numbers.

And it is not a coincidence that the country has succeeded in dramatically reducing homicides, violent crime and kidnappings as the government has reclaimed authority over parts of the country previously controlled by terrorist groups like the FARC.

The Colombian government has also made extraordinary efforts to protect vulnerable populations. In 1999, the Colombian government established a special program to protect labor union leaders and their families, as well as other vulnerable groups.

Today, nearly 6000 people are protected by the program, of which more than 1,700 are union members. To date, no unionist under the protection program has been killed.

And all of these efforts were begun long before our Free Trade Agreement. They reflect strongly held commitments on the part of the government of Colombia.

The fact is, Members of Congress who have joined Administration officials on recent visits to Colombia have found a country completely transformed.

A mere 8 years ago, this nation teetered on the edge of becoming a failed state. For anyone who approaches the question with an open mind, seeing is believing.

Every study that has been done on violence in Colombia shares a common thread – they all show that the trend line is moving firmly in the right direction.

Since 2002, the Colombian government has increased the annual budget of the judicial branch and the Office of the Prosecutor General by 75 percent.

A special unit was created within the Office of the Prosecutor General to address 187 priority cases – cases identified by union leaders – and the case backlog. New judges have been hired and are dedicated specifically to addressing these cases.

And just last month, President Uribe paved the way for funding more than 2,000 new positions in the prosecutor's office, positions that will be dedicated to addressing these cases.

We are already seeing progress in the prosecutions of these cases. Recently, four Colombian soldiers were sentenced to 40 years each for murdering trade union officials in 2004.

Since 2001, the Government of Colombia has resolved 59 cases involving trade unionists, with 126 individuals sentenced for their crimes. Of the priority cases identified last year, 13 of these cases have been prosecuted so far, with 25 individuals sentenced for their crimes.

Yes, there is more to be done. But the positive trend lines – evidence of a Colombian government delivering on its commitments to its own citizens – are unmistakable.

The question that remains is: When do you acknowledge and reward commitment and a multi-year record of unequivocal success?

Particularly if by implementing the Colombia FTA, we can contribute to further success. And by delay of, or disapproval of, the agreement we accomplish nothing. Or worse.

I say the time is now.

Colombia wants this FTA because Colombians believe it will lead to greater economic growth. The government has made great strides in turning people away from violence, but they need to be able to provide alternatives – namely more jobs.

And we have a historic opportunity to help by providing the certainty that comes with taking temporary preferences and making them permanent.

The FTA will serve to ensure an active U.S. role in fostering stability and security in a region of critical interest to our national security. A region that is home to some who loudly advocate a different path than the pro-market, pro-growth, pro-U.S. stance adopted by Colombia's current leadership.

Economic growth has been a critical component of Colombia's dramatic resurgence. Yet now, with that nation on the cusp of locking in the stunning transformation that began with Plan Colombia, some are suggesting that we delay this chance to bolster the engine of that economic growth.

Perhaps the best measure of the success that Colombia's President Uribe can claim for bringing enhanced stability and prosperity to his country lies with the clear vote of confidence of the Colombian people - who not too long ago re-elected him with 62 percent of the vote.

Their struggle is our struggle, and it is our duty to support the courageous Colombians who are dedicated to furthering the causes of democracy and prosperity in this strategically vital region.

None of us – not the Administration, not the Congressional leadership – wants to look back in a few years and ask “Who lost Latin America?”

Let me quote from an open letter to Congress signed by an impressive list of former senior Democratic officials – former diplomats, cabinet officers and members of Congress:

“It would be the height of irony were we to talk of ‘losing’ Latin America while refusing to take actions that would directly support fundamental relationships and interests in the region...walking away from the Colombia trade agreement or postponing it until conditions are perfect would send an unambiguous signal to our friends and opponents alike that the United States is an unreliable partner...”

. Make no mistake about it: How we deal with the Colombia FTA is widely viewed as the proxy for how we treat our friends in Latin America. In conversation after conversation with Latin leaders, the outcome of the Colombia FTA is clearly seen as symbolic of our attitude toward the entire continent.

This Administration will not yield in our efforts to persuade the Congress to do the right thing – and passing the Colombia FTA is most assuredly the right thing.

Colombia deserves a vote; a vote that is soon; a vote where members of Congress are allowed to vote their consciences.

So I reach out once more – on my own behalf and on behalf of the entire Administration. We will make every effort to find the formula for cooperation that gets the job done.

From my personal interaction with Members, I can confirm that many in Congress want to work with us on passage, as they did with the Peru FTA. They realize that these trade agreements are in America's best interest and the passage of the remaining three FTAs would advance the standards of trade set by our groundbreaking, bi-partisan agreement last May.

You may recall that at the time, the House Democratic leadership set out their vision for trade in the coming years. They said they wanted U.S. trade policy to raise the standard of living for workers, both in the U.S. and partner countries; create new markets for U.S. goods; expand America's diplomacy; and strengthen our national security.

These FTAs address these objectives and now is the time for Congressional leaders to deliver on their stated commitments.

Now is the time to pass these remaining agreements, beginning with the Colombia FTA. The legislatures of Colombia and Panama have already approved their FTA agreements, and South Korea's legislature has it on their agenda.

Our nation is in the midst of an economic transition – a transition from relying on a very few sources of growth, like domestic consumption, to a more diverse array of sources including international trade. We are in a unique position to help move this economy forward by enacting the three pending FTA agreements, and completing a successful Doha Round.

So add it all up – the economic and commercial; the political and strategic; the shared value and shared values.

It makes sense. Now is the time to act.

###