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Crunch time on Colombia trade

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By Barbara Bowie-Whitman - In the last four months, Congress has done two good things on trade: adopting the Peru Trade Promotion Agreement and extending Andean Trade preferences through the end of this year.

These were necessary actions. But for them to be sufficient, Congress must take a third step. That step, offering new markets for U.S. farmers, workers and manufacturers, has become critical for Colombia in the face of new belligerence from Venezuela's Hugo Chavez. It is time to approve the Trade Promotion Agreement with Colombia.

For 17 years, we have allowed duty-free entry of most Colombian goods into the United States under the Andean preference program that Congress has just renewed (93 percent of their exports to us are now duty-free.) Unfortunately, during those 17 years, U.S. goods have faced steep tariffs in Colombia.

The Andean preference program's 17 years have not been continuous. In 2002, the program lapsed for more than six months, creating havoc for Andean exporters to the United States. Eventually, we resolved those problems.

This experience, however, led Colombians to proposal that we exchange their one-way, time-limited, duty-free market access for a reciprocal and permanent agreement, which would give U.S. exporters duty-free access to Colombian markets. We began negotiations for such an agreement in 2004 and signed it in November 2006. We have until Dec. 31 to get that agreement approved and put into effect before the Andean preference extension runs out.

Electoral politics should not intrude: There is no logic in supporting one-way access to our markets while opposing a level playing field for U.S. farmers and workers. We established the preference program to support the war on drugs by opening U.S. markets to legal Colombian products. The new trade agreement will support American workers by opening new markets for our products.

A Democrat candidate for Congress told me she knows this agreement is good for the United States but cannot say so in a union hall in Ohio. Her fear of confronting constituents' misinformation would be well-guided by Edmund Burke's 18th-century admonition: "Your representative owes you, not his industry only, but his judgment; and

he betrays, instead of serving you, if he sacrifices it to your opinion."

Last month, the one-way Andean trade preferences were extended by unanimous consent in the Senate and by voice vote in the House. The AFL-CIO supported that extension. Any union member should understand it would be even better to level the playing field for American exporters by approving two-way free trade.

The Colombia trade promotion agreement offers fair trade to American workers. Yet the AFL-CIO inconsistently opposes the Colombia agreement, which the International Trade Commission (ITC) estimates would raise U.S. gross domestic product by \$2.5 billion annually. Our economy could use that boost — now.

The United States would gain immediate duty-free access to Colombia for more than 80 percent of our consumer and industrial products. U.S. trade union members would benefit: 8,000 U.S. firms now export to Colombia. The ITC also estimates approving and implementing the agreement would increase U.S. exports to Colombia by \$1.1 billion per year, more than twice the increase in Colombian exports to the United States (\$487 million.)

To see why we would get such a disproportionate boost in exports, we need only consider that Colombian flowers, coffee and bananas now pay zero duty to enter the United States, while to enter the Colombian market U.S. fertilizer companies pay a 15 percent duty, apples pay 10 percent, soft drinks with high-fructose corn syrup pay 20 percent, paper bags 15 percent, and farm machinery more than 30 percent.

Our current 14 free-trade agreements are in force with only 7 percent of the world's population, yet they account for 40 percent of U.S. exports. After CAFTA/DR (Central American Free Trade Agreement/Dominican Republic) came into effect, U.S. exports to those countries rose 16 percent the first year and 13 percent the second year. Exports to Chile rose 100 percent after our trade agreement went into effect. Experience shows our trade deficit with free-trade-agreement partners has declined, even when our global trade deficit was rising.

After approving the extension of Andean Trade preferences, House leaders stated their opposition to acting on the Colombia Trade Promotion Agreement, whereas the administration strongly advocates its prompt passage. Our economy needs the stimulus this agreement will provide. Colombia needs the U.S. statement of support and the market certainty that its adoption will offer. It is time for bipartisan efforts toward its adoption.

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