



| U.S.-PERU Trade Coalition

October 10, 2006

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear Mr. President:

On behalf of the U.S.-Peru Trade Coalition and the undersigned 305 U.S. companies and business organizations, we are writing to urge action and final passage of the U.S.-Peru Trade Promotion Agreement (PTPA) this year. Both the national security and economic interests of the United States will be advanced by this landmark agreement with Peru, whose dynamic economy and moderate politics recommend it as a strong partner. PTPA will help strengthen democracy in the Andean region while lending support for the rule of law, transparency in business and government, and internationally recognized worker rights.

U.S. trade with Peru has doubled over the past three years. Two-way commerce reached \$7.4 billion in 2005. More than 5,000 U.S. companies export their products to Peru, and over 80% of these are small and medium-sized companies that stand to benefit significantly from PTPA.

The Peruvian Congress approved the agreement on June 28 by a vote of 79 to 14 while President Toledo was in office. Recently inaugurated Peruvian President Alan Garcia, for his part, has appointed the internationally respected Dr. Hernando de Soto as his personal representative with a mandate to ensure the trade agreement will extend broad benefits to Peruvians across the formal and informal economic sectors. As you are aware, Dr. De Soto has spent his career working to alleviate the economic and legal barriers that reinforce poverty in developing countries.

Deepening economic ties with the United States is critical to Peru. U.S. companies employ over 100,000 Peruvians directly and generate at least three times as many jobs indirectly. Far from leading a "race to the bottom," these firms are paying wages that are triple the average in Peru's urban areas (and many times those in rural areas). Peruvian exports to the United States support an impressive 800,000 jobs. This figure represents more than one-quarter of Peru's formal sector employment, underscoring how economic ties to the United States are providing Peruvians with critically needed jobs, income, and tax revenues.

Building on this foundation, PTPA will promote economic development in Peru and provide its citizens with long-term alternatives to narcotics trafficking or illegal immigration. It will advance U.S. security and economic interests by forging a deeper partnership with a valued ally and setting an example for other countries around the world as we pursue our global security and economic goals. The agreement's strong intellectual property and related enforcement provisions against trafficking in counterfeit or pirated products will help combat organized crime.

PTPA will also serve to make this trade relationship a mutually beneficial, reciprocal partnership. In 1991, the United States unilaterally opened its markets to most imports from Peru and its neighbors through the Andean Trade Preference Act, which was renewed and expanded in 2002. As a result, fully 97% of all imports from Peru already enter the U.S. marketplace duty-free, and the average U.S. duty on imports from Peru is just one-tenth of one percent. By contrast, the U.S. International Trade Commission (USITC) reports that "most of Peru's average tariff rates range from 12% to 25%." In other words, Peruvians enjoy nearly free access to our marketplace while our access to theirs remains limited.

PTPA will fix this imbalance. Four-fifths of U.S. consumer and industrial products and two-thirds of current U.S. farm exports will enter Peru duty-free immediately upon entry into force. An economy-wide analysis by the USITC estimates U.S. exports to Peru will increase by \$1.1 billion under PTPA, while imports will increase by \$439 million; the agreement will add \$2.1 billion per year to U.S. gross domestic product.

At a time when populist leaders in some South American countries are espousing anti-American policies, former Peruvian President Alejandro Toledo and the current President Alan García support partnership with the United States and the rule of law, which are key to improving Peru's investment climate, protecting U.S. investors, and garnering support in the U.S. Congress. Approving this win-win agreement will lend Peruvians a helping hand and advance the national interest of the United States.

To that end, it is imperative that the Administration send implementing legislation for the PTPA to Congress for consideration. This step will send the signal to Members of Congress that a vote on this important trade agreement will occur this year, and it will signal to Peru that the United States continues to value its strategic partnership with that country.

Sincerely,

AdvaMed

AeA

Albany Area Chamber of Commerce

Alexander City Chamber of
Commerce

A&L Group Inc.

Altria Group, Inc.

American Apparel & Footwear
Association

American Chamber of Commerce in
Peru

American Chamber of Commerce of
the Dominican Republic

American Council of Life Insurers	Burnsville Chamber of Commerce
American Farm Bureau Federation	California Council for International Trade
American Feed Industry Association	Calhoun County Chamber of Commerce
American Soybean Association	California Chamber of Commerce
Antelope Valley Chambers of Commerce	California Hispanic Chambers of Commerce
Arkansas State Chamber of Commerce	California Table Grape Commission
Arlington Chamber of Commerce	CAMACOL (Latin Chamber of Commerce, U.S.A.)
Art and Commerce Alliance	Campbell Hausfeld
Ashland Chamber of Commerce	Cannondale Bicycle Corporation
Association of Equipment Manufacturers	Carole Hochman Design Group
Association of Food Industries	Carson Chamber of Commerce
Athens Area Chamber of Commerce	Caterpillar
Battle Creek Area Chamber of Commerce	Chamber of Commerce for Decatur and Macon County
Berner International	Chamber of Commerce of the Borough of Queens
Bessemer Area Chamber of Commerce	Chamber of Medford/Jackson County
Beverly Hills Chamber of Commerce and Civic Association	Chamber of the Americas
Birmingham Regional Chamber of Commerce	Chattanooga African Chamber of Commerce
Blair County Chamber of Commerce	Chattanooga Area Chamber of Commerce
Boon Edam Tomsed, Inc.	Chester County Chamber of Business & Industry
Bronz-Glow Technologies, Inc.	Chicagoland Chamber of Commerce
Brooklyn Chamber of Commerce	
Bunge North America, Inc.	

Chicos	Duluth Area Chamber of Commerce
Children Come First, Inc.	East Hartford Chamber of Commerce
Chugiak-Eagle River Chamber of Commerce	East Hartford Chamber of Commerce
Clackamas County Chamber of Commerce	Elanco
Clarksville Area Chamber of Commerce	El Campo Chamber of Commerce & Agriculture
Clear Lake Area Chamber of Commerce	Eli Lilly & Co.
Coalition of Service Industries	Electronic Industries Alliance
Coats North America	El Salvador Chamber of Commerce California
Colorado Springs Chamber of Commerce	Emergency Committee for American Trade
Coral Gables Chamber of Commerce	Enterprise Florida
Council of the Americas	Entertainment Industry Coalition for Free Trade
Cintas Corporation	Environmental Dynamics, Inc.
Davie County Chamber of Commerce	Export Council, Inc.
Daytona Beach & Halifax Area Chamber of Commerce	Encino Chamber of Commerce
Devils Lake Chamber of Commerce	Everett Area Chamber of Commerce
Diageo North America	FedEx
The Distilled Spirits Council of the United States	Fertilizer Institute
Dixon Area Chamber of Commerce & Industry	Findlay Hancock County Chamber of Commerce
Dublin Chamber of Commerce	First Choice Corporate Housing Group, LLC
Dubuque Area Chamber of Commerce	Flagstaff Chamber of Commerce
	Flint Area Chamber of Commerce

Florida Chamber of Commerce
Food Products Association
Footwear Distributors and Retailers of America
Ford Motor Company
Fort Worth Hispanic Chamber of Commerce
Free Trade Alliance
Frontier Trading Inc.
Galleria Chamber of Commerce
Gap Inc.
Garden Grove Chamber of Commerce
Gateway Regional Chamber of Commerce
General Mills
Georgia Chamber of Commerce
Gilbert Chamber of Commerce
Glendale Chamber of Commerce
Grand Island Area Chamber of Commerce
Greater Beaumont Chamber of Commerce
Greater Dallas Chamber of Commerce
Greater Elkhart Chamber of Commerce
Greater Fairbanks Chamber of Commerce
Greater Haines City Area Chamber of Commerce
Greater Irving-Las Colinas Chamber of Commerce
Greater Jackson County Chamber of Commerce
Greater Kansas City Chamber of Commerce
Greater Mankato Chamber of Commerce
Greater Miami Chamber of Commerce
Greater New York Chamber of Commerce
Greater Olean Area Chamber of Commerce
Greater Omaha Chamber of Commerce
Greater Palmer Chamber of Commerce
Greater Raleigh Chamber of Commerce
Greater San Jose Hispanic Chamber of Commerce
Greater Tampa Chambers of Commerce
Greater Topeka Chamber of Commerce
Green Bay Area Chamber of Commerce
Grocery Manufacturers Association
Halifax Chamber of Commerce

Hampton Roads Chamber of
Commerce

Hardin County Chamber of Commerce

Harlingen Area Chamber of
Commerce

Havel's Inc.

Henderson County Chamber of
Commerce

Hillsboro Chamber of Commerce

Hilton Head Island-Bluffton Chamber
of Commerce

Hispanic Alliance for Free Trade

Hispanic Chamber of Commerce of
Greater Kansas City

Hispanic Chamber of Commerce of
Louisiana (HCCL)

Hobbs Chamber of Commerce

Hormel Foods Corporation

Houston Hispanic Chamber of
Commerce

Illinois Chamber of Commerce

Indiana Chamber of Commerce

International Dairy Foods Association

International Titanium Corporation

INVISTA

Jacksonville Regional Chamber of
Commerce

Jockey International, Inc.

Johnson City/Jonesborough/
Washington County TN Chamber of
Commerce

Joliet Region Chamber of Commerce

Jones Apparel Group, Inc

Kingman Area Chamber of Commerce

Kingsport, Tennessee Chamber of
Commerce

Lansing Regional Chamber of
Commerce

Laredo Chamber of Commerce

Las Vegas Chamber of Commerce

Levi Strauss & Co

Lima/Allen County Chamber of
Commerce

Lincoln Chamber of Commerce

Liz Claiborne, Inc.

Long Beach Area Chamber of
Commerce

Los Angeles Area Chamber of
Commerce

Los Angeles Metropolitan Hispanic
Chamber of Commerce

Manchester Trade

Manhattan Chamber of Commerce

Mankato Area Chamber of Commerce

The Maple Gas Corporation

Marana Chamber of Commerce

Mars, Incorporated	National Association of Wheat Growers
Marshall County Chamber of Commerce	National Barley Growers Association
Maryland/Washington D.C. District Export Council, Inc.	National Black Farmers Association
The McGraw-Hill Companies	National Cattlemen's Beef Association
Merck & Co., Inc.	National Chicken Council
Metropolitan Evansville Chamber of Commerce	National Corn Growers Association
The Metropolitan Trenton African American Chamber of Commerce	National Foreign Trade Council
Michigan Chamber of Commerce	National Grain Trade Council
Midway Chamber	National Milk Producers Federation
Minneapolis Regional Chamber	National Oilseed Processors Association
Mobile Area Chamber of Commerce	National Pork Producers Council
Monroe Chamber of Commerce	National Turkey Federation
Morgan Hill Chamber of Commerce	Nestlé USA
Motion Picture Association of America (MPAA)	New Ulm Area Chamber of Commerce
Mount Vernon Chamber of Commerce	News Corporation
MWW Group	Nicaraguan American Chamber of Commerce
Naperville Area Chamber of Commerce	Northern California
Nashville Area Chamber of Commerce	Nortel
National Association of Manufacturers	North American Equipment Dealers Association
National Association of Theatre Owners	North American Export Grain Association
	North American Millers' Association

North Clackamas County Chamber of Commerce

North San Antonio Chamber of Commerce

North Shore Chamber of Commerce

Northern Dakota County Chamber of Commerce

Northern Kentucky Chamber of Commerce

Northwest Horticultural Council

Oakland Metropolitan Chamber of Commerce

Ocean Spray Cranberries, Inc.

Ohio Alliance for International Trade

Oracle

Orange Chamber of Commerce & Visitor Bureau

Oshkosh Chamber of Commerce

Pennsylvania Chamber of Business and Industry

Peoria Chamber of Commerce

PepsiCo

Perry Ellis International

Peruvian American Chamber of Commerce

Peruvian Asparagus Importers Association

PhRMA

Phillips-Van Heusen Corporation

Pike County Chamber of Commerce

Plano Chamber of Commerce

Procter & Gamble

PSEG Global LLC

QUALCOMM, Inc.

Rancho Cucamonga Chamber of Commerce

Rapid City Area Chamber of Commerce

Redwood Area Chamber & Tourism

Regional Hispanic Chamber of Commerce/ Bank of the West

Richmond/Spring Grave Chamber

Rim Country Regional Chamber of Commerce

Rocky Brands

Ross Valve Manufacturing Company

Sacramento Metro Chamber of Commerce

Saint Paul Area Chamber of Commerce

Salvadoran-American Chamber of Commerce (SACC)

San Antonio Hispanic Chamber of Commerce

San Diego North Chamber of Commerce

San Diego World Trade Center

Santa Clara Chamber of Commerce

Scottsdale Area Chamber of
Commerce

Seaboard Marine, Ltd.

Sierra Vista Chamber of Commerce

Simi Valley Chamber of Commerce

Simon International LLC

Small Business Exporters Association
of the United States

South Snohornish County Chamber of
Commerce

Spokane Chamber of Commerce

Springfield Area Chamber of
Commerce

St. Helen-Scappoose Chamber of
Commerce

Staten Island Chamber of Commerce

Stillwater Chamber of Commerce

Stuart/Martin County Chamber of
Commerce

Sweetener Users Association

Tacoma- Pierce County Chamber of
Commerce

Tarpon Springs Chamber of
Commerce

Tennessee State Chamber of
Commerce

Tepito Electronics

The Oklahoma State Chamber

Time Warner

Tramco, Inc.

Tucson Chamber of Commerce

TUSCARORA YARNS, INC.
/AMTEC LLC

Twin West Chamber of Commerce

United Chambers of Commerce of the
San Fernando Valley

United Egg Association

United States Hispanic Chamber of
Commerce

UPS

USA. Poultry & Egg Export Council

U.S. Council for International
Business

U.S. Dairy Export Council

U.S. Wheat Associates

U.S. Chamber of Commerce

Vandalia-Buttler Chamber of
Commerce

Vermont Chamber of Commerce

Victoria Chamber of Commerce

Virginia Chamber of Commerce
Business Leadership

Wal-Mart

Warnaco Group, Inc.

Warner Robins Area Chamber of
Commerce

Wenatchee Valley Chamber of
Commerce

Weston Area Chamber of Commerce

Whitesboro Area Chamber of
Commerce

Wilkes Chamber of Commerce

Williams-Grand Canyon Chamber of
Commerce

Winona Area Chamber of Commerce