



AF&PA Supports the U.S.-Colombia Trade Promotion Agreement

AF&PA believes that the U.S.-Colombia Trade Promotion Agreement (CTPA) will benefit the U.S. forest and paper industry and will advance the economic interests of both the U.S. and Colombia.

AF&PA and its member companies have consistently supported trade agreements that provide for expanded access to foreign markets, including the recently completed Peru Trade Promotion Agreement and the Central American Free Trade Agreement. The immediate elimination of tariffs on all paper and wood products – as was achieved in the recent Chile and Australia FTAs – is a priority objective for the U.S. forest and paper products industry in trade negotiations. Short of a forest products sectoral agreement in the Doha Round, FTAs are the only means of eliminating tariff barriers to our industry's products.

AF&PA recognizes that Colombia is a developing country and its industry needs a transition period before tariffs are totally eliminated. Currently, the average Colombian import tariff on paper products is 12.5 percent and 12.3 percent for wood products. Upon implementation of the agreement, 44 percent of U.S. paper product exports and 69 percent of U.S. wood products exports will receive immediate duty-free access. In fact, tariffs on high-value priority wood products will be eliminated immediately.

Colombia has been a growth market for U.S. forest and paper products and the U.S.-Colombia TPA will enhance access to this South American market. In 2006, U.S. wood, pulp and paper industry exports to Colombia reached \$175 million, a 50 percent increase from 2002. The 2006 total was composed of \$5 million of wood products and \$170 million of pulp and paper products. In the first eleven months of 2007, U.S. forest product exports were up by another 27 percent compared to the same period last year. At the same time, the U.S.-Colombia TPA has no downside for our industry as a majority of Colombian exports to the U.S. already enter duty-free under most-favored nation tariff rates and various preference programs, such as the Andean Trade Preference Act (ATPA) and the Generalized System of Preferences (GSP).

U.S. forest products companies operate in a global market where issues surrounding the legality and sustainability of timber and other manufactured forest products are growing in importance. AF&PA believes the U.S.-Colombia TPA, with the establishment of the Environmental Affairs Council, will facilitate the development and improvement of environmental protection, including forestry practices.

AF&PA and our member companies support the U.S.-Colombia TPA and urge Congress to pass implementing legislation as soon as possible. The agreement will lower trade barriers for U.S. forest products and will promote sustainable development and management of environmental resources in Colombia.

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