



1700 N. Moore Street, Suite 2250, Arlington, VA 22209
Phone: 703-841-2300 Fax: 703-841-1184
Email: info@retail-leaders.org www.retail-leaders.org

October 30, 2007

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi,

On behalf of the Retail Industry Leaders Association (RILA), I am writing to urge your support for the U.S.-Peru Trade Promotion Agreement (PTPA). This agreement will immediately expand Peru's market for U.S.-based retailers, manufacturers, farmers and service providers. Besides the reciprocal benefits to American businesses, this agreement is important because of the geopolitical ties the United States has with Peru; the U.S. cannot be seen as abandoning our strategic partners. I request that the PTPA be considered by Congress before the Thanksgiving break, and ask for your support of the agreement.

By way of background, RILA promotes consumer choice and economic freedom through public policy and industry operational excellence. Our members include the largest and fastest growing companies in the retail industry, which together provide millions of jobs and operate more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

Benefits of the U.S-Peru Trade Promotion Agreement

Trade Promotion Agreements (TPAs) benefit retailers by reducing or eliminating tariffs in the United States and amongst our trading partners; promoting transparency in Customs procedures; dismantling services and investment barriers in foreign markets; establishing a secure, predictable legal framework for U.S. retailers operating overseas; and facilitating trade through capacity building and increased regulatory transparency. Enactment of PTPA will provide sourcing alternatives for retailers to better service their consumers in both the United States and Peru. RILA also encourages Congress and the Administration to swiftly implement the cumulation provisions for apparel in the PTPA so that the full benefits of the agreement can be realized.

Two-way trade between the United States and Peru reached \$8.8 billion in 2006, with U.S. exports to Peru reaching \$2.9 billion. But much of this trade has been unbalanced because most products from Peru already enter the U.S. duty free under the Andean Trade Preference Act (ATPA) and the Andean Trade Promotion and Drug Eradication Act (ATPDEA).

October 30, 2007

Page 2 of 2

In contrast, U.S. exports to Peru currently face an average tariff of 10 percent. The PTPA will remedy this inequity and on the first day the agreement enters into force, when tariffs on 80 percent of U.S. exports of consumer and industrial products, and a majority of the most competitive U.S. farm exports, would immediately be eliminated.

Peru has been a stalwart ally and trading partner in South America, a region struggling in a war of ideologies between authoritarian dictatorship, and economic freedom and democracy. The PTPA will solidify our bilateral economic and political partnership, and will provide a successful example to other countries in the region currently considering their economic and political futures.

The PTPA, as well as the positive consideration of pending trade agreements with Colombia, Panama, and South Korea, will provide the continued positive momentum that is so critical to U.S. foreign policy interests. By approving and implementing these agreements, the U.S. will demonstrate its continued support for freedom, democracy, the rule of law, and economic reform.

Thank you for your consideration and if you have any questions, please contact Stephanie Lester, Vice President, International Trade, at (703) 600-2046, or by email at stephanie.lester@rila.org.

Sincerely,

A handwritten signature in cursive script that reads "Sandra L. Kennedy". The signature is written in black ink and is positioned above the typed name.

Sandra L. Kennedy
President, RILA