



July 17, 2007

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Dear Representative,

The United States Hispanic Chamber of Commerce, the largest advocate for America's 2 million Hispanic-owned businesses, urges that you support the Panama, Peru, and Colombia Trade Agreements. The approval of these three trade agreements, which were formulated under a historic and precedent setting fair trade framework, and the need to negotiate similar agreements with Bolivia and Ecuador are of vital interest to securing our nation's long term economic and diplomatic strength in the Western Hemisphere.

The USHCC is encouraged by the bi-partisan cooperation of House and Senate leaders in advancing a historic framework for these and all future trade agreements. These agreements will promote the long sought and elusive concept of "fair trade" and propose a win-win scenario for businesses and workers on both sides of the border. These agreements will lower tariffs and boost U.S. exports, including exports from those industries where the United States has lost jobs to overseas production like textiles and manufacturing. Ultimately, American workers and businesses alike will benefit from lower tariffs and increased capital investments while making our country more competitive in the global market.

The primary beneficiaries of these three agreements will not be huge multi-nationals but small and medium sized companies with an average of less than 100 employees. Over 80 percent of current U.S. exporters to Peru, Panama, and Colombia are Small and Medium Enterprises (SMEs). Of the 19,513 U.S. companies doing business with Peru, Panama and Colombia, 15,961 are SMEs with exports totaling \$3.023 billion and representing 41 percent of total U.S. exports to those countries. Nonetheless, many more small businesses fail to export their products or services because of licenses, fees and other non-tariff barriers; barriers that would be fixed under these agreements. Many more small businesses will also find new markets for services and find their intellectual property protected under the provisions of these agreements.

The beneficiaries of trade with Peru, Panama and Colombia are not exporters alone – it includes a host of other industries that do not traditionally engage in international business. These trade agreements provide small businesses with expanded access to government procurement contracts. Those contracts for roads, schools, clinics, and the like are often too small for major American companies to perform profitably. But they are just the kinds of contracts our smaller construction companies, distance learning and medical equipment companies – just to mention a few – can fulfill beautifully.

Furthermore, these trade agreements are crucial to reclaiming American diplomatic influence in Latin America. If diplomacy follows the dollar, we ought to be concerned that China is quickly becoming the principal trading partner to Latin America by consuming nearly 60% of the primary products and manufactured goods produced south of the border. Trade has long been considered an end in itself, but in this case advances diplomacy, spurs economic growth, and promotes environmental safeguards and ILO worker rights. Three years after passage of an FTA with Chile, per capita income rose by 83% over the same period, and unemployment fell from 8.1% in 2003 to 6% at the end of 2006 in that country. It is through trade and economic development that these countries will generate employment, ameliorate poverty, control migration, increase wealth, and strengthen the democratic institutions through which our countries can be better allies.

These trade agreements will not only help U.S. business and workers, but will ensure economic security and a reduction in the current \$60 billion trade deficit while strengthening our relationships in the region. Therefore, we encourage you to approve these trade agreements, bring up the Peru bill before August recess, and schedule these agreements in whichever order will best ensure their passage. Please note that these votes may be scored by our organization.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Barrera", with a stylized flourish at the end.

Michael L. Barrera  
President & CEO