

March 2010

The Honorable (FULL NAME)
California State Assembly
Sacramento, CA 95814

Dear Assemblymember (LAST NAME):

Re: AJR 27 (Torrico) – U.S.-Colombia Free Trade Agreement
Scheduled for hearing in the Assembly Committee on Jobs, Economic
Development and the Economy on Tuesday, April 20.

Your company/organization urges a NO vote on California AJR 27 which memorializes Congress to oppose the Free Trade Agreement between the United States and Colombia. This resolution is a symbolic gesture that, while not legally binding, would cast the FTA and Colombia—an important trading partner and a partner in stopping drug trafficking—in an unproductive light if it were to pass.

The U.S.-Colombia FTA was signed in 2006, but is pending U.S. Congressional approval. U.S. Congressional approval of this FTA is important to an improved U.S. economy and opens more trade opportunities. The FTA will eliminate tariffs and other barriers to trade in goods and services, promote economic growth and enhance trade between the United States and Colombia. In 2009, the United States exported over \$9.5 billion worth of goods to Colombia, with total trade amounting to over \$20.7 billion.

Additionally, the U.S.-Colombia FTA offers tremendous opportunities for California's exporters. Colombia is California's 35th largest trading partner, exporting more than \$320 million in goods in 2009. It is important to continue the expansion of international trade and investment, fair and equitable market access for California products, and the elimination of impediments to the international competitiveness of California businesses.

In the recent years Colombia's economy has experienced positive growth due to the government's efforts to reduce debt, promote exports, and improve security. This has promoted increased confidence in the future of Colombia's economy within the business sector at home and abroad.

Colombia is a dynamic economy with a pro-U.S. government, and with whom U.S. trade has nearly doubled in recent years. Over 9,000 U.S. companies export their products to Colombia and more than 85 percent of these are small

and medium-sized companies. U.S. farmers and ranchers sell agricultural products to these markets, and U.S. manufacturers are enjoying double-digit sales growth that will only grow when the tariffs are removed.

A U.S.-Colombia Free Trade Agreement is a critical element of the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives. The agreement will also increase momentum toward lowering trade barriers and set a positive example for other small economies in the Western Hemisphere.

The U.S.-Colombia FTA will generate new export opportunities for U.S. and California agriculture, industry, service providers and workers. In Colombia, the agreement will attract new investment, create jobs and raise living standards.

Per the U.S. Department of Commerce International Trade Administration, the U.S.-Colombia Free Trade Agreement offers tremendous opportunities for California's exporters. When the Agreement enters into force, 80 percent of U.S. consumer and industrial exports to Colombia, including nearly all information technology products, mining, agriculture, construction equipment, medical and scientific equipment, auto parts, paper products, and chemicals, will be duty-free immediately. The remaining tariffs phase out over 10 years.

U.S. farmers and ranchers will also become much more competitive, benefiting from immediate duty-free treatment of 77 percent of current U.S. agriculture exports. Key U.S. agriculture exports such as cotton, wheat, soybeans, high-quality beef, apples, pears, peaches, cherries, and almonds will be duty-free upon entry into force of the Agreement. Colombia will phase out all other agricultural tariffs within 19 years.

California is one of the ten largest economies in the world with a gross state product of approximately \$1.8 trillion. As one of the largest exporting states, with exports to 226 economies around the world, international related commerce accounts for approximately one-quarter of the state's economy.

America's standing as a world leader depends directly upon our competitive success in the global economy. For the past half century, the United States has led the world in breaking down barriers to trade and in creating a fairer and freer international trading system based on market economics and the rule of law. Increased market access achieved through trade agreements has played a major role in our nation's success as the world's leading exporter.

The U.S.-Colombia Free Trade Agreement will benefit California and the United States as a whole, and we appreciate your consideration of a NO vote on this symbolic legislative measure.

Sincerely,