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Congress of the United States

House of Representatives

Washington, DC 20515-1306

April 27, 2010

President Barack Obama
The White House
Washington, DC 20006

Dear Mr. President,

A number of weeks ago at the House Republican Issues Conference, we had a frank conversation about the current status of pending trade agreements. I appreciated our level of discourse and wanted to be sure to follow up on that conversation so as to not let this opportunity pass. I hope that this area can be one of the great successes of this legislative year.

The public is hungry for bipartisan action to enact substantive policies that will create jobs and advance our economy. We both agreed that this is an area where that opportunity can be fulfilled. You noted that there are conflicts within the Democratic Party that are holding back pending trade agreements even though they hold the potential for no-cost job creation. You also noted that there are some in the Republican Party that may be skeptical as well. It is in that broad center across both parties where there is agreement; we may not be able to convince either of our parties to support the trade agreements in unanimity, but this is where the public expects us to lead and govern.

Each of the pending trade agreements with Colombia, South Korea and Panama present tremendous opportunities for growth for American businesses and job creation for American workers. As we also discussed at the House Republican Issues Conference, there is an urgency here because these nations are negotiating with other countries around the world to expand their trade ties in a way that would put American workers at a competitive disadvantage.

Specifically regarding the Colombia agreement, we have a great partner in Colombia, which has made tremendous progress in recent years distinguishing itself as an important and strategic ally in a turbulent region. Just recently, President Uribe demonstrated how far Colombia has come; in a move that speaks volumes about the rule of law in Colombia, President Uribe announced that he will respect the decision of the country's constitutional court to forbid the President from seeking a third term. Colombia has demonstrated its commitment to partnering with the United States by passing labor protections in advance of the agreement's implementation to significantly expedite proceedings and enhance its labor courts. The labor standard applicable to Colombia under current law (the Andean trade preferences) merely requires Colombia to "take steps to afford to workers" internationally recognized worker rights, but the agreement would expand and improve Colombia's accountability.

You indicated in our conversation that any forward movement on trade is “not just going to be a one way street.” The benefit of two-way trade is inarguable, and it will protect American workers and deepen the public’s faith in the prospects of growth through trade. However, by not passing the Colombia FTA, we are perpetuating a “one way street” against our own people. As you know, virtually all Colombian goods enter the United States duty-free. On the other hand, U.S. goods face stiff tariffs going into Colombia. U.S. companies have paid in excess of \$2.7 billion since the Colombia FTA was signed. Colombia will surely realize great benefits with the passage of the FTA, but it is the American worker that stands to benefit most.

Time is of the essence. Colombia has concluded agreements with both the EU and Canada. If those plans are forged while Washington delays, we will lose millions in exports to Colombia, and U.S. workers will suffer.

Finally, Colombia has been a good-faith partner enhancing security and human rights in its country. For all of these reasons, we should no longer stand for the one way street that is our current trade policy with Colombia. Let us without delay set out a specific plan of action for this agreement so that all reasonable concerns are met. Seeing this agreement to fruition ahead of President Uribe’s upcoming departure from office in August would be a remarkable and symbolic gesture of good will between our two countries.

Just like Colombia, South Korea is very advanced in its negotiations with Canada and has concluded its negotiations with the EU. As the EU and Canada move toward full implementation, American workers will find themselves at a competitive disadvantage. If the EU beats the United States to implementing a trade agreement with South Korea, it’s estimated that our exports will decline by over \$1 billion. As the Office of the U.S. Trade Representative has noted, if approved, the South Korean agreement would be the most commercially significant in more than 16 years. Nearly 95 percent of bilateral trade in consumer and industrial products would become duty free within three years of the date the agreement enters into force. Indeed, the U.S. International Trade Commission found that U.S. exports of manufactured and agricultural goods to South Korea would increase by \$10 billion to \$12 billion within four years of ratification. It is disappointing that we have been unable to move forward.

You rightly pointed out in our interaction, reflecting upon your experience of the gracious hospitality recently afforded to you by the South Koreans, that South Korea is an important ally. This agreement would be our first with a North Asian partner and could signal a tremendous advancement of our nation’s commitment to and engagement in the Asia-Pacific region. South Korea sits in an extraordinarily strategic position on the world stage. We should not consider lightly the significance of being able to engage such a partner. Implementing the agreement with South Korea would truly demonstrate a leap forward for our engagement of that part of the world. I recognize that some have raised concerns about auto issues in the agreement, and I urge you to resolve these issues right away so that we can move forward.

Likewise, we can see great opportunity in completing work on the agreement with Panama. The Panamanian legislature’s overwhelming 58-3 vote of approval for the agreement in July 2007 demonstrated its eagerness and willingness to partner with us in mutually advancing our

interests. Ambassador Kirk, in his confirmation hearing, stated that the list of things that Panama must do before USTR would send up the agreement is "not long" and that none of the considered changes would require a change in the text. To be sure, work remains to be done, but Panama, in good faith, has acknowledged a willingness to move forward with additional modifications parallel to consideration in our Congress.

Similar to our current relationship with Colombia, most imports from Panama already receive duty-free treatment under U.S. preference programs. This agreement would provide immediate duty-free treatment for over 88 percent of U.S. manufactured goods and more than half of U.S. agricultural exports, which encompass major portions of our \$4.3 billion of exports to Panama in 2009. Given that our imports from Panama only equaled \$304 million in 2009, we stand to gain the most benefit. We should no longer sit idly by as U.S. interests are excessively burdened when they try to engage and compete in the Panamanian marketplace with their foreign counterparts.

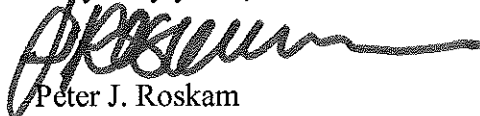
Your recent focus on exports and job creation through trade has been encouraging. It is a laudable goal to double exports in 5 years. This goal highlights the need to implement these pending agreements. It took 11 years to double exports between 1996 and 2007, and Congress approved 9 different trade agreements during that time. To double exports in 5 years, we will surely need access to Colombian, South Korean and Panamanian markets. You have noted that increasing exports by one percent would create over 250,000 jobs. Given that the independent International Trade Commission has estimated that implementing these three major trade agreements would increase trade by one percent, we have a golden opportunity to create badly needed jobs here.

Moreover, our efforts to engage other countries are weakened as long as we are perceived as not acting on the pending agreements. It is important that we finalize relations with these three countries so that we can open other important markets, including through the Doha Round and the Trans-Pacific Partnership, which you have so rightly embraced.

As you signaled a new era in your Inaugural Address, proclaiming "an end to the petty grievances and false promises, the recriminations and worn out dogmas, that for far too long have strangled our politics," I would be pleased to work with you on advancing these trade agreements. The rest of the world is on course to realize the benefits of trade with these strategic nations, and it is my hope that we can work together to lift our country above and past the internal politics of our country to create jobs here at home.

Again, I appreciated the candor with which we were able to discuss the lack of forward momentum in our trade policy. I urge you to engage House Republicans to achieve successful, no-cost job growth. I stand ready to work with you in a bipartisan fashion to benefit Americans.

Very truly yours,



Peter J. Roskam
Member of Congress

CC: Hon. Ron Kirk, United States Trade Representative