## Business Roundtable Emergency Committee for American Trade National Association of Manufacturers National Foreign Trade Council United States Council for International Business

September 29, 2010

The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives Washington, D.C. 20515

The Honorable Steny Hoyer Majority Leader U.S. House of Representatives Washington, D.C. 20515

The Honorable John Boehner Minority Leader U.S. House of Representatives Washington, D.C. 20515 The Honorable Harry Reid Majority Leader U.S. Senate Washington, D.C. 20510

The Honorable Mitch McConnell Minority Leader U.S. Senate Washington, D.C. 20510

Dear Speaker Pelosi and Leaders Reid, Hoyer, Boehner and McConnell:

We are writing to express our strong support for the extension of the Generalized System of Preferences (GSP), as well as the extension of the Andean Trade Preference Act (ATPA) for Colombia and Peru, which are currently set to expire on December 31, 2010. GSP and ATPA are decades-old programs Congress has renewed repeatedly to provide duty-free entry to products of eligible developing countries to promote economic development, the reduction of poverty and improved relations with the United States and these countries. ATPA also seeks to strengthen counter-narcotics cooperation and efforts and promote economic diversification and development in legitimate business sectors. Both programs also promote American jobs and economic opportunities throughout numerous sectors.

Each program incorporates strong eligibility standards to ensure that recipient countries meet basic standards, including with the respect to the protection of U.S. property and labor rights. These highly valuable programs are an important tool of economic development and promote improved trade relations between the United States and the developing world. For all of these reasons, we strongly support the renewal of GSP and of ATPA for Colombia and Peru.

During last year's extension of ATPA, the decision was made to not differentiate Ecuador from the other program recipients, either in terms of duration of extension or requests for a review of compliance with eligibility criteria. Unfortunately, rather than encouraging Ecuador to address outstanding commercial and investment disputes, it appears to have emboldened Ecuador to persist in taking measures that are inconsistent with U.S. and international trade and investment norms. Given the continued deterioration in Ecuador's record in a number of areas over the past year, Ecuador should not be similarly rewarded with a blanket ATPA renewal. From continued and increasingly serious breaches of the basic rule of law

to the lack of protection for foreign investment and intellectual property, Ecuador is falling short of the ATPA eligibility requirements. For that reason, we strongly urge Congress to reconsider Ecuador's eligibility for ATPA and, at a minimum, require periodic and intensive reviews of Ecuador's fulfillment of basic eligibility criteria.

We appreciate Congress' attention to these important trade and development programs and look forward to working with you on the renewal of GSP and ATPA.

Respectfully,

Larry D. Burton **Executive Director** 

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cc: The Honorable Sandy Levin, Chairman, House Committee on Ways and Means The Honorable Dave Camp, Ranking Member, House Committee on Ways and Means The Honorable Max Baucus, Chairman, Senate Committee on Finance The Honorable Chuck Grassley, Ranking Member, Senate Committee on Finance