

New CalChamber Coalition Working to Secure Approval of Free Trade Pacts

The California Chamber of Commerce Council for International Trade (CIT) is urging members of the business community to join its coalition working to secure congressional approval of the free trade agreements (FTAs) with Colombia, Panama and South Korea.

The California Coalition for Free Trade is a broad-based group of California companies and business organizations.

The FTAs are critical to the U.S. strategy to liberalize trade through multilateral, regional and bilateral initiatives.

California is one of the 10 largest economies in the world with a gross state product of more than \$1.5 trillion. International-related commerce accounts for approximately one-quarter of the state's economy. Although trade is a nationally determined policy issue, its impact on California is immense.

Free Trade Agreements

- **A U.S.-Colombia FTA** will increase momentum toward lowering trade barriers and will set a positive example for other small economies in the Western Hemisphere. In 2007, California exported goods worth more than \$320 million to Colombia. This was a 60 percent increase since 2006, making Colombia California's 39th largest trading partner.

According to the U.S. Department of Commerce, International Trade Administration, the U.S.-Colombia FTA offers

May 27-30

Congressional District Work Period

A good time to visit with congressional representatives about supporting the free trade agreements.

Sample letter available at www.calchambervotes.com.

tremendous opportunities for California's exporters. When this agreement enters into force, 80 percent of U.S. consumer and industrial exporters to Colombia will be duty-free immediately. The remaining tariffs phase out over 10 years.

- **Panama** has the highest gross domestic product per capita in Central America. In 2007, the United States had a trade surplus with Panama, with exports reaching \$3 billion and imports slightly less than \$359 million. California exports to Panama have increased since 2006, and now total more than \$259 million, making it the state's 41st largest export market.

- **The FTA with Korea** is another big win for the California and U.S. economies. Korea is the seventh largest U.S. export market in the world and the sixth largest market for farm exports. In 2007, U.S. exports to Korea reached \$34 billion; U.S. small and medium-sized companies accounted for a third of this total.

Korea is California's fifth largest exporting partner. In 2007, California exported goods worth \$7.4 billion to Korea.

Congress Delays Vote

On April 10, Congress passed a resolution on trade promotion authority removing the requirement that it act within 90 days of receiving the U.S.-Colombia FTA from President George W. Bush.

On April 7, President Bush sent Congress legislation that would have implemented the FTA. Because of the resolution, Congress now has until the end of the current session to act. The Second Session of the 110th Congress typically would adjourn at the end of this year.

Impact on Other Agreements

Still awaiting consideration by Congress are the U.S.-Panama and U.S.-Korea FTAs. Neither is likely to be considered until Congress approves or rejects the U.S.-Colombia FTA.

The CIT is urging Congress to approve the U.S.-Colombia FTA, emphasizing Colombia's existing strong relationship with California and the numerous positive implications the FTA would have on the state by lifting tariffs on exports. The CIT also is urging Congress to consider the U.S.-Colombia agreement to make time for additional FTAs.

Coalition

Companies or associations that join the California Coalition for Free Trade will be included on the rapidly growing list of FTA supporters. There is no cost to join the coalition, which will keep members apprised of its activities and how to be supportive of the FTAs.

For more information on the FTAs or to join the coalition, visit www.calchamber.com/international.
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Ambassador Highlights Importance of U.S.-Colombia Free Trade Pact



Ambassador Charles Shapiro, senior coordinator, Western Hemisphere Free Trade Task Force, U.S. State Department, is the featured speaker at a May 20 forum of the CalChamber Council for International Trade, chaired by Susan Corrales-Diaz (left). Shapiro described the positive geo-political aspects of supporting the U.S.-Colombia Free Trade Agreement.