

COUNCIL FOR INTERNATIONAL TRADE

CALIFORNIA CHAMBER of COMMERCE



April 13, 2010

To: Members, CA State Assembly Committee on Jobs, Economic
Development and the Economy

From: California Coalition for Free Trade

Re: **AJR 27 (Torrico) – US-Colombia Free Trade Agreement**

*Scheduled for hearing in the Assembly Committee on Jobs, Economic
Development and the Economy on Tuesday, April 20.*

We, the undersigned companies and business organizations of the California Coalition for Free Trade, urge 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 US- Colombia FTA was signed in 2006, but is pending US Congressional approval. US Congressional approval of this FTA is important to an improved US 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 US-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 US-Colombia Free Trade Agreement is a critical element of the US 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 US - Colombia FTA will generate new export opportunities for US 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.

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Increased market access achieved through trade agreements has played a major role in our nation's success as the world's leading exporter.

The US – 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.

Cc: The Honorable Alberto Torrico, Member, California State Assembly

32 South, Inc.	Long Beach Area Chamber of Commerce
Applied Materials, Inc.	Los Angeles Area Chamber of Commerce
Arrowhead Credit Union	Lyles Diversified, Inc.
Bear Creek Winery	McKenna, Long & Aldridge
Blue Diamond Growers	Merrill Lynch - Mill Valley
California Business Ventures	Montebello Chamber of Commerce
Cange International Inc.	Monterey Bay International Trade Assn
Caterpillar Inc.	Moon Shot Communications
Chevron	Motion Picture Assn. of America
Citigroup, Inc.	News Corp
CNA Insurance Companies	North County BMW
De Avila Law Firm	Northern California World Trade Center
DHL Express	Northridge Toyota
East Bay CITD	OceanWind International Inc.
El Camino College CITD	Oliva Global Communications
Express Employment Professionals	Oracle Corporation
Fernandez Barragan & Associates	Orange County Bus. Council
Fillner Construction Inc.	Otis McAllister, Inc.
Fox Entertainment Group	Pacific Resources
Fox Legal Group	Paramount Farms
Foxx Hunter Farms	Puente Hills Toyota
Gathers Strategies, Inc.	RB International
General Electric	Ruiz Foods
HBLA Certified Public Accountant	Safeway, Inc.
Hitchcock Automotive Resources	San Dimas Chamber of Commerce
Hitchcock Commercial Properties	Silicon Valley CITD
Holtouse, Carlin & VanTright	South Bay BMW
Hunter International	So. Orange Cty Reg Chambers of Comm.
Intel Corporation	SunWest Foods, Inc
International Information Specialists	The Boeing Company
International Technical Services	The California Parks Co.
Ironstone Vineyards	The Dow Chemical Company
Irvine Chamber of Commerce	Toyota of Santa Barbara
John Kautz Farms	Voiland Enterprises
Kikkoman Foods Inc.	WJ Byrnes & Co.
LA Metro Hispanic Chambers of Commerce	