

COUNCIL FOR INTERNATIONAL TRADE

CALIFORNIA CHAMBER of COMMERCE



VIA EMAIL
To the Committee on Ways and Means

January 27, 2011

The Honorable David Camp, Chairman
Committee on Ways and Means
United States Senate
Washington, D.C., 20510

Dear Chairman Camp:

Re: Support of US Free Trade Agreements with Colombia, Panama and Korea

We, the undersigned companies and business organizations of the California Coalition for Free Trade, urge Congressional approval of the pending Free Trade Agreements with Colombia, Panama, and Korea. Congressional leaders of both parties have indicated their intent to bring these agreements up for a vote in the months ahead, and it is critical to companies, workers, farmers, and ranchers in our state that you support these job creating trade agreements.

The California Coalition for Free Trade was initiated in May of 2008 by the California Chamber of Commerce Council for International Trade. This group of California companies and business organizations believe that opening markets and promoting fair trade rules are critical for California's economy. The Coalition is supportive of current and pending Free Trade Agreements.

Colombia and Panama are dynamic economies with pro-U.S. governments, and U.S. trade with these countries has nearly doubled over the past four years. More than 19,500 U.S. companies export their products to Colombia and Panama, and more than 80% of these are small and medium-sized companies. U.S. farmers and ranchers sell over a billion dollars worth of agricultural products to these markets, and U.S. manufacturers are enjoying double-digit sales growth and that will only grow when the tariffs are removed.

A U.S.-Colombia Free Trade Agreement will increase momentum toward lowering trade barriers and set a positive example for other small economies in the Western Hemisphere. In 2009, California exported approximately \$320 million to Colombia, making it our state's 35th largest export market.

Panama has the highest GDP per capita in Central America. Its economy is based largely on the services sector, which accounts for nearly 80 percent of the GDP. Services include the Panama Canal, banking, insurance, container ports, and medical and health. Panama has been hailed for the strong growth in its economy and its commitment to fighting corruption, combating narco-trafficking and promoting democracy.

In 2009, the United States had a trade surplus with Panama, with exports totaling \$4.3 billion and imports slightly above \$300 million. California exports to Panama totaled \$228 million, making it our 43rd largest export market.

The trade agreement with Korea is another big win for the California and U.S. economies for many of the same reasons. Korea is the seventh-largest U.S. export market in the world (and our sixth-largest market for farm exports). In 2009, U.S. exports to Korea reached \$28.6 billion, with U.S. small and medium-sized companies accounting for a third of this impressive total. By giving U.S. exporters a leg up in the world's tenth-largest economy, the agreement with Korea will enhance the ability of U.S. companies to compete in the dynamic Asian economy. Korea is California's 5th largest exporting partner. In 2009, California exported goods worth \$5.9 billion to Korea.

The Coalition supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad, and elimination of disincentives that impede the international competitiveness of California business. Further, the Coalition opposes protectionism that results in higher prices to the consumer for the specific product protected and in limited choices of products for consumers. Protectionism causes a net loss of jobs in related industries, retaliation by our trading partners, and violates Trade Agreements.

America's standing as 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.

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 California's economy.

The Coalition supports allowing California companies to compete more effectively in foreign markets, as well as to attract foreign business to California. Increased protectionism has not helped our economy in the past and it won't in today's increasingly global economy.

These Free Trade Agreements will ensure that the United States may continue to gain access to world markets, which will result in an improved economy and additional employment of Americans. The California Coalition for Free Trade urges your support of these FTAs that will continue to keep American and Californian businesses competitive. Thank you for your consideration.

Sincerely,

The California Coalition for Free Trade
(members listed below)

Cc: Members of the CA Congressional Delegation
Governor Jerry Brown, State of California

California Coalition for Free Trade Member Companies January 2011

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