



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

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Grassley Urges Colombia to Offer New Agricultural Proposals in Andean FTA Negotiations

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, has urged Colombia’s chief trade negotiator to offer new agricultural proposals in negotiations of the United States-Andean Free Trade Agreement (FTA) and cited concern that Colombia’s restrictive agricultural proposals to date could endanger the success of the negotiations.

The text of Grassley’s letter follows.

November 16, 2005

Ambassador Hernando Jose Gomez
Chief Negotiator
Ministry of Foreign Trade
Calle 28, No. 13A-15
Floor 5
Bogota, Colombia

Dear Ambassador Gomez:

I enjoyed speaking with you last month concerning the negotiations of the U.S.-Andean Free Trade Agreement (FTA). Following up on our meeting, I would like to express some of my concerns regarding the agricultural talks between the United States and Colombia that are taking place within the Andean FTA negotiations.

As we discussed, market access provided to U.S. agricultural products under an FTA between the United States and Colombia must be, at a minimum, as good as access provided in the United States-Central America Free Trade Agreement (CAFTA), and on some products, the United States is expecting CAFTA-plus access. Unfortunately, Colombian proposals on corn, soybeans, pork, and beef – all of which are major Iowa products – appear to be CAFTA-minus.

I am concerned that Colombia is continuing to press for the ability to utilize domestic purchase requirements, price bands, price-based agricultural safeguards, and agricultural export subsidies. The use of these measures by Colombia would not lead to liberalized trade between the United States and Colombia, but would in fact impede trade.

Colombia is requesting base tariff rates on certain products, including corn and pork, that are higher than those applied in recent years under the Andean price bands. Instead of providing preferential access by lowering applied tariffs while moving toward free trade, Colombia's proposals are instead sanctioning higher tariffs.

I am also concerned about Colombian proposals for tariff rate quotas (TRQs). In some instances, Colombia is proposing in-quota quantities in TRQs on certain products, such as corn, that do not even reflect current imports. With regard to soybeans, soybean meal, and soybean flour, Colombia is proposing TRQs although U.S. competitors are already enjoying unlimited duty-free access. These TRQs would impede efforts of U.S. soybean producers to compete with other soybean exporters in the Colombian market even though the United States would have entered into an FTA with Colombia.

Similarly, U.S. producers should receive at least the same market access opportunities as farmers in other countries that have free trade agreements with Colombia. For example, U.S. pork should receive, at a minimum, the same tariff treatment provided to Chilean producers under Colombia's FTA with Chile.

In addition, Colombia's proposal in the area of sanitary and phytosanitary measures unnecessarily goes beyond the text of the CAFTA. I note as well that I remain concerned with Colombia's scientifically unjustified ban on the importation of U.S. beef.

We share the goal of seeing the United States and Colombia conclude an FTA. Without improvements in Colombia's agricultural offers, however, I will be unable to support the Agreement. I encourage you to continue working with U.S. negotiators to reach terms on agriculture that are acceptable to both countries.

Sincerely,

Charles E. Grassley
Chairman