

Congress of the United States

Washington, DC 20515

November 1, 2006

The Honorable J. Dennis Hastert
Speaker Of the House
U.S. House of Representatives
Office of the Speaker
H-232, The Capitol
Washington, D.C. 20515

The Honorable John Boehner
Majority Leader
U.S. House of Representatives
Office of the Majority
H-107, The Capitol
Washington, D.C. 20515

Dear Mr. Speaker Hastert and Majority Leader Boehner:

We are writing to you today to respectfully ask you to strongly consider moving legislation to bridge the gap between the expiration of the Andean Trade Preference Act (ATPA) and the entry into force dates for the Free Trade Agreements (FTA) with Colombia and Peru.

As you well know, the Congressional intent of the Andean preference program, which expires on December 31 of this year, was to provide an incentive for U.S. companies to invest in the politically and economically fragile Andean region. It was felt that creating lawful economic activity was critical to efforts to divert illegal coca manufacturing towards legitimate industries, especially in some of the most egregious drug trafficking countries. At the same time this agreement could encourage the Andean countries to pursue more permanent, two-way free trade agreements with the United States. As a centerpiece of U.S. security policy in the Hemisphere, we believe ATPA worked very well.

We believe that for two of these Andean countries, Colombia and Peru, the goals of this legislation have squarely been met. The end result is that today, we believe these two countries are our strongest allies in an otherwise politically unpredictable region. All this has been achieved because the leaders of Colombia and Peru took the bold step of concluding high-quality free and fair trade promotion agreements with the United States. The fate of these agreements now ultimately rests in the hands of Congress.

While we are optimistic that it is still possible for the Congress to act this year to move the FTAs forward, it is highly likely that these FTAs will not enter into force until after the expiration of the ATPA. This will create a disruptive gap in coverage for U.S. companies that currently trade with these countries. We believe that many United States companies that otherwise would not have considered investing in the Andean region did so because of ATPA. We are confident that these investors want to maintain their presence in the region. However, we are as equally confident that if they do not have a measure of certainty that the program will be extended until the FTAs come into force, many could pull out of the region altogether and move operations to Asia or elsewhere. Were that to happen, it would severely undermine the medium

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and long term political and economic goals of the FTAs before we even give them a chance to take effect, not to mention have a devastating short-term effect upon the local economies.

We have an opportunity to prevent this but we must act soon. So once again, we respectfully ask you to give all due consideration to supporting a short-term bridge to the trade agreements, especially in the event that we are unable to act on and pass the FTAs for both Peru and Colombia before Congress adjourns for the year, so that U.S. companies can continue their investment in the region, and Colombian and Peruvian workers whose jobs depend on ATPA can continue the economic security that we helped provide them.

Sincerely,



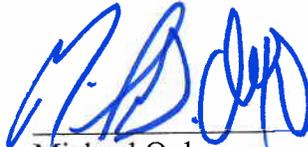
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Chairman
Western Hemisphere Subcommittee
Committee on International Relations



Henry Hyde
Chairman
Committee on International Relations



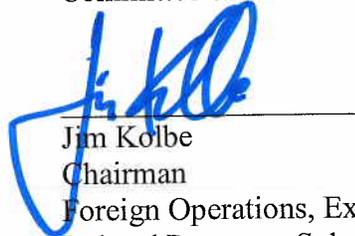
Tom Davis
Chairman
Committee on Government Reform



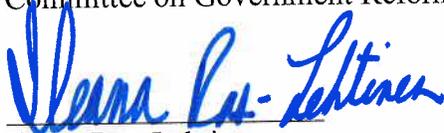
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