



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus and Dooley Press Administration to Prioritize Commercial Benefits in Bilateral and Regional Free Trade Agreements

(WASHINGTON, D.C.) U.S. Senator Max Baucus, (D-Mont) and U.S. Representative Calvin Dooley (D-Calif.) sent a letter to U.S. Trade Representative Robert Zoellick today emphasizing the importance of promoting bilateral and regional free trade agreements that will provide significant commercial benefits for the U.S., while continuing to press for a successful negotiating round in the World Trade Organization (WTO).

Full text of the letter follows:

October 16, 2003

The Honorable Robert Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Re: Free Trade Agreement Priorities

Dear Ambassador Zoellick:

In the aftermath of the failed WTO Ministerial in Cancun, America's best hope for liberalizing trade and opening new markets – in the short term – lies in bilateral and regional free trade agreements.

As you know, for the past several months, we have engaged in a dialogue with the business community, the agriculture community, think tanks, and others in the private sector on how the United States can use its limited trade negotiating resources to our best advantage in selecting FTA partners. We want to share with you the conclusions we have reached through those discussions.

First, it is clear that bilateral and regional agreements are not a substitute for a successful negotiating round in the WTO. The United States should not de-emphasize the Doha Round in our trade agenda – even for a short “break” – because the WTO remains the most viable forum for resolving difficult issues in agriculture trade. Moreover, the potential commercial significance of a Doha Round agreement dwarfs that of the United States' current and pending FTAs combined. But

revitalizing the Doha Round will require both high-level involvement and leadership. We urge the President to make this a priority issue.

Second, we need to prioritize bilateral and regional trade agreements that promise significant commercial benefits. The International Trade Commission's recent study on the economic impact of the United States' existing free trade agreements clearly demonstrates that only FTAs that liberalize trade with relatively large markets provide measurable economic benefits to American farmers, workers, businesses and consumers. With multilateral results delayed, and 3.2 million lost American jobs since the beginning of 2001, we need to focus on ways to maximize the commercial benefits of trade liberalization in the short term.

Third, trade liberalization is a goal that should be pursued primarily for its own sake. While good models and foreign policy considerations can inform the selection of FTA partners, those concerns must be subordinate to the goal of maximizing market opportunities. Trade is a sensitive and sometimes divisive issue in our country today. In order for the Congress, the business community, and the general public to provide the support needed to negotiate and implement free trade agreements – at the rate of several per year – there must be visible economic gains that can be measured in exports, profits, and jobs. Without those gains, it will be increasingly difficult to generate the political will to implement a series of trade agreements that promise only intangible or foreign policy benefits.

Finally, there is strong support both in Congress and in the private sector for increasing USTR's resources. We recognize the serious effort it will take to simultaneously pursue bilateral opportunities, WTO negotiations, and existing enforcement priorities. We are working to provide those resources through the appropriations process.

Since our FTA outreach effort began, we understand that the Administration has developed certain criteria and procedures to guide the FTA selection process in future. We believe that a coherent and rational framework for the selection of FTA partners is crucial to a successful U.S. trade policy. With the recent slow-down in WTO negotiations and increased attention on FTA negotiations, we urge you to be more open and explicit in articulating the Administration's framework for FTAs. We would appreciate an opportunity to review any documents that may shed light on this important subject, and discuss it further with you.

We hope we can continue to work closely with you to advance our mutual goal of beneficial trade liberalization.

Sincerely,

Senator Max Baucus
Representative Cal Dooley

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