

**Statement by Robert D. Hormats
Under Secretary of State for Economic, Energy and Agricultural Affairs**

**House Committee on Ways and Means
Subcommittee on Trade**

**Washington, DC
March 17, 2011**

Thank you, Mr. Chairman, Ranking Member McDermott, and all members of the committee. It is an honor to have the opportunity to testify at this hearing today. I have testified before this Committee numerous times in the past and always look forward to doing so. I do so today with particular enthusiasm, because of the importance of the current topic for the people of our country and of Colombia and for our strategic relations with Colombia and the hemisphere.

Ambassador Sapiro has noted our concerns related to the protection of internationally-recognized labor rights, violence against labor leaders, and the prosecution of the perpetrators. Securing Congressional approval of our Trade Promotion Agreement with Colombia, once our concerns have been met, will be important for several reasons.

Colombia has been a steadfast partner; one we've worked with closely for over a decade. In addition to the considerable economic benefits, the agreement will help consolidate and enhance Colombia's gains over the past decade in such areas as human rights and rule of law. It will help consolidate and strengthen labor rights reforms the Santos administration is taking. And it will allow Colombia to make progress on the social inclusion issues President Santos has identified as his principal challenge.

The Agreement will deepen our strategic partnership. It helps us pursue our national interests in the hemisphere and increases our capacity to influence events in the region. Finally, the Agreement is key to regaining our competitive edge in an important market where we are increasingly losing market share.

With strong bipartisan U.S. support, Colombia has made historic progress improving security for its citizens and stemming the flow of drugs into the United States. Since 2002, homicides are down 45 percent, kidnapping down 92 percent, and terrorist attacks down 71 percent. Since 2001, cocaine production potential

has fallen 46 percent and the area under coca cultivation has decreased 19.4 percent. Since 2002, Colombia has extradited over 1,149 criminals, including major drug traffickers, to face justice in the United States.

Colombia is a valued and trusted partner, sharing its expertise in confronting transnational crime throughout the hemisphere and beyond. Since 2007, Colombia has trained approximately 6,000 Mexican police and judicial officials and has provided security assistance to Mexico, Haiti, Central America, and Afghanistan, among others.

Our partnership with Colombia has been a foreign policy success that continues to grow. Last October, Deputy Secretary Steinberg launched a High Level Partnership Dialogue to discuss areas for cooperation including the environment, social inclusion, science and technology, and deepening the important discussion of human rights.

Colombia is also an emerging global leader. Colombia currently sits on the UN Security Council and chairs the Iran and Sudan Sanctions Committees. Colombia is participating in peacekeeping operations in Haiti, Sierra Leone, and the Sinai Observer Mission. Last August, Colombia sent its sixth contingent of National Police officers to support the UN Stabilization Mission in Haiti (MINUSTAH). During its one-year deployment, the mission is carrying out a variety of law enforcement duties, including intelligence, criminal investigation, anti-narcotics, anti-kidnapping, and border security. It has also provided valuable humanitarian relief to Haiti after last year's earthquake.

Moving ahead with the Colombia Agreement—once our labor concerns have been addressed—will be important for our regional leadership and credibility. This is a decisive moment in our hemisphere. The Agreement will facilitate consolidation of Colombia's success in putting its democracy and economy on sound footing--by adopting additional market reforms and strengthening effective social policies.

It will help silence critics who have claimed that we are ceding leadership in the region and are unable to deliver for our closest partners. It would be a powerful sign of support for the region's other reformers, and an action that goes to the core of President Obama's use of smart power to support those who believe democratic governance, respect for human rights, and open markets are the keys to inclusive prosperity.

As we work with Colombia to address the remaining issues, we will reinforce the significant progress the Santos administration has made in addressing human rights and labor issues. The Santos administration has: denounced threats to labor and human rights leaders; increased penalties for violence against human rights defenders; made clear it respects the role of labor and human rights groups; and increased funding of its protection program, which now covers over 11,000 at-risk individuals. Colombia's Prosecutor General's Office reports that it is investigating more than 1,300 labor-related cases, and has obtained 344 convictions. There is more to be done, and we are working with the Santos Administration to build on these achievements.

This winter, Colombia suffered flooding on the relative magnitude of Hurricane Katrina, affecting over 2 million people, ruining hundreds of thousands of hectares of cultivated land, and destroying countless roads and other infrastructure. Estimated reconstruction costs are \$6.6 billion. Our Agreement would give Colombia a long-term helping hand at a time of significant need.

In the short-term, as this close friend and partner endeavors to recover from this tragic natural disaster, I also join DUSTR Sapiro in urging Congress to reauthorize the Andean Trade Preference Act (ATPA), as well as GSP, at the earliest opportunity and for the longest period possible; this will support U.S. jobs, promote economic development overseas, and provide greater certainty for American businesses and investors.

Colombia is a growing market of 46 million customers. In 2010, Colombia bought \$12 billion in U.S. goods—more than Russia, Spain, or Turkey, for example. It plans to invest over \$15 billion in infrastructure projects over the next five years. Without an Agreement, U.S. exporters could miss out on these promising commercial possibilities. And that would cost us high quality jobs at home.

Colombia is currently pursuing free trade agreements with our toughest competitors. China is now Colombia's second largest trading partner. And we are losing market share to Brazil, Canada, and the European Union (EU). We are no longer Colombia's leading agricultural supplier; the Colombia-Canada FTA enters into force in July, jeopardizing our wheat exports. Colombia expects to sign its agreement with the EU this year and to negotiate FTAs with South Korea and Japan.

In closing, addressing our outstanding labor-related concerns and securing approval of a high-standard Agreement with Colombia is paramount for both our

bilateral partnership and our regional influence. An Agreement that opens markets and strengthens labor and human rights protections would bolster Colombia and other market reformers in the region. It can strengthen the collective security and inclusive prosperity of the United States, Colombia and the Americas.

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