

# Committee on Ways and Means

## Benefits of the U.S.-Chile Free Trade Agreement

- The U.S.-Chile FTA is long overdue and represents an important inroad into South America.
- The agreement benefits key U.S. export sectors including agriculture and construction equipment, autos and auto parts, computers and other information technology products, medical equipment, and paper products. More than 85 percent of trade in these areas will become tariff free immediately, with most of the remainder to be phased out over four years.
- U.S. companies are at a competitive disadvantage in Chile because other countries, including Canada, Mexico, and the European Union already have FTAs with Chile. The U.S.-Chile FTA takes away the advantage that these countries have and should expand U.S. GDP by over \$4 billion.
- U.S. service providers will benefit from the U.S.-Chile FTA as well. The Chilean services market is fast growing, and the agreement contains groundbreaking transparency rules to ensure that service regulators operate fairly.
- The U.S.-Chile FTA will be a benchmark because of the protections given to U.S. intellectual property rights. These new protections in digital areas such as software, music, text, and videos go beyond past trade agreements in addressing protection for U.S. patents and trade secrets.
- The FTA establishes a secure, predictable legal framework for U.S. investors who operate in Chile. In almost all instances, U.S. investors will have the right to establish, acquire, and operate investments in Chile on an equal footing with Chilean investors.
- Chile has one of the fastest growing economies in the world. Over the last two decades, Chile has established a vigorous democracy, a thriving and open economy built on trade, and a free market society. The U.S.-Chile FTA will help Chile continue its impressive record of growth, development, and poverty alleviation. It will help spur progress in the Free Trade Area of the Americas and will send a positive message throughout the world by demonstrating that we will work in partnership with those who are committed to free markets.