

September 20, 2006

The Honorable Susan Schwab  
United States Trade Representative  
Executive Office of the President  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Dear Ambassador Schwab:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit views of the Agricultural Technical Advisory Committee for Tobacco, Cotton, Peanuts and Planting Seeds (the TCPPS Advisory Committee) concerning the U.S.-Colombia Trade Promotion Agreement.

Sincerely,

William Carter  
Tommy Bunn  
Don Koehler  
Kater Hake

Chairs of the Committee

**The U.S.-Colombia Trade Promotion Agreement (TPA)**

**Views of the  
Agricultural Technical Advisory Committee for Tobacco, Cotton, Peanuts  
and Planting Seeds (ATAC, TCPPS)**

**September 20, 2006**

**September 20, 2006**

**Tobacco, Cotton, Peanuts and Planting Seeds, ATAC (“TCPPS”)**

**Advisory Committee Report to the President, the Congress and the United States Trade Representative on United States – U.S.-Colombia Trade Promotion Agreement (TPA) – Supplementary Views**

**I. Purpose of the Committee Report**

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principle negotiating objectives set forth in the Trade Act of 2002.

The report of the appropriate sectoral or functional committee must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, the TCPPS Advisory Committee hereby submits the following report.

**II. Executive Summary of the Supplementary Committee Report**

The members of the TCPPS Advisory Committee have reviewed the United States – Colombia Trade Promotion Agreement (TPA). This supplementary report reflects the opinion of the committee concerning cotton, planting seeds, peanuts and tobacco.

In general, the Agreement appears to provide reciprocal levels of market access for both the United States and Colombia with respect to agriculture in general. Specific issues are discussed in more detail in Section III of this supplementary report.

Among the more significant issues raised by members of the TCPPS Advisory Committee are:

- ◆ With some exceptions, the Colombia TPA continues the practice of placing commodities covered by tariff rate quotas into categories providing for extended phase out periods, thereby gradually phasing in the increased market access.
- ◆ The Colombia TPA provides for immediate duty free and quota free access for cotton fiber between the United States and Colombia. Given the type and degree of trade between Colombia and the United States with respect to cotton fiber and cotton textiles, the cotton provisions appear to be beneficial to both Colombia and the United States.

- ◆ The agreement contains provisions committing the countries to labor standards and rules adopted by the International Labor Organization, and obligates the countries to enforce their labor laws and their environmental laws.
- ◆ Each new free trade agreement undermines tariff rate quota protection for commodities (as established in the Uruguay Round multilateral negotiations) to a degree that, ultimately, cannot be appropriately evaluated. It would be preferable to the peanut industry if tariff reductions for peanuts were scheduled so that the majority of such reductions were taken during the later stages of implementation.

### **III. Advisory Committee Opinion on Agreement**

#### **Tobacco provisions**

The TCPPS ATAC tobacco members strongly support the inclusion of tobacco in the U.S.-Colombia TPA.

#### **Peanut provisions**

The peanut members of the ATAC were somewhat concerned that Colombia received additional market access for peanuts under the TPA even though Colombia does not produce a significant amount of peanuts. There is concern that should a number of non-peanut producing countries be given additional market access to the United States through FTAs, that access would encourage transshipment of peanuts and peanut products.

#### **Cotton provisions**

The Colombia TPA appears to provide for equity and reciprocity for many aspects of trade in cotton fiber between Colombia and the United States. The Colombia TPA is the first agreement to provide for immediate duty free and quota free access for cotton fiber between the United States and the participating country. Given the type and degree of trade between Colombia and the United States with respect to cotton fiber and cotton textiles, the cotton provisions appear to be strongly beneficial to both Colombia and the United States.

Members of the cotton industry cannot evaluate any free trade agreement without consideration of the provisions of the agreement that affect trade in cotton textiles. The cotton members of the TCPPS ATAC favorably note that the agreement with Colombia contains acceptable rules of origin for textiles and contains fewer exceptions to those rules than many other free trade agreements.

#### **Planting seed provisions**

The proposed FTA agreement negotiated with Colombia appears to be favorable for the US seed industry. The overall aim, to increase trade, transparency, consultation and harmonization supports the goals of the US seed industry. Movement of seed should be enhanced from the reduction of tariffs on planting seed and the establishment of appropriate forum for the science based resolution of phytosanitary disputes. A valuable component of the Colombia TPA is the advancement of intellectual property protection in the accession to international treaties (such as the UPOV Convention 1991).

#### **IV. Membership of Committee**

Gary Adams	National Cotton Council
Thomas P. Archer	American Peanut Council
Dale Artho	Dale and Kathy Artho Farms
Stanley D. Baker	Meadowland Corporation
Jessie T. Bunn	Leaf Tobacco Exporters Association
W. L. Carter	North Carolina Cotton Producers Association
Thomas Cotton	Peanut Growers Cooperative Marketing Assn
Kenneth W. Dierschke	Kenneth Dierschke Farms
Charles Earnest	Dolphin Land Company
Christopher A. Garza	American Farm Bureau Federation
William A. Gillon	Law Offices of William A. Gillon
Kater Hake	Delta and Pine Land Company
Todd Haymore	Universal Leaf Tobacco Company, Inc.
Kenneth Hood	Perthshire Farms
Jeffrey Johnson	Birdsong Peanuts
Donald Koehler	Georgia Agricultural Commodity Commission for Peanuts
Larry Meyers	Meyers and Associates
Donald Nelson	Altria Corporate Services, Inc.
Richard Pasco	American Peanut Product Manufacturers, Inc.
Evans Plowden	American Peanut Shellers Association
Thomas Smith	Calcot, Ltd.
Mark Kay Thatcher	American Farm Bureau Federation
Clyde Wayne	Tobacco Associates, Inc.
Robert Weil	Weil Brothers Cotton, Inc.
Eric Lindblom	Campaign for Tobacco Free Kids