

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **U.S. Trade Representative Schwab Announces Proposed Suspension of Bolivia's Tariff Benefits**

Washington -- Today, U.S. Trade Representative Susan C. Schwab announced that President Bush has directed her to publish in the Federal Register a notice of his proposed action to suspend Bolivia's designation as a beneficiary country under the Andean Trade Preference Act (ATPA) and the Andean Trade Promotion and Drug Eradication Act (ATPDEA). Bolivia's demonstrable failure to cooperate in counternarcotics efforts over the past 12 months indicates that Bolivia is not meeting important criteria for benefits under the ATPA and ATPDEA tariff preference programs. "These tariff preferences are unilateral benefits provided by the United States to partner nations in the Andean region," said Ambassador Schwab. "The Morales Administration's recent actions related to narcotics cooperation are not those of a partner and are not consistent with the rules of these programs. We regret that the proposed suspension that is prompted by the Bolivian government's actions could affect hard-working Bolivians," she said. "Once imposed, the suspension could be lifted as soon as the Bolivian government improves its performance under the ATPA and ATPDEA criteria."

#### **Background**

On September 15, 2008, President Bush designated Bolivia as a country that has failed demonstrably over the past 12 months to adhere to its obligations under international counternarcotics agreements and to take the measures set forth in the Foreign Assistance Act of 1961. The ATPA and ATPDEA are programs that provide duty-free treatment for imports of most products from Colombia, Peru, Ecuador, and Bolivia. These programs are designed to promote economic development and reduce illegal crop production in the Andean region.

The recent expulsion of U.S. Agency for International Development personnel and the removal of U.S. Drug Enforcement Administration officials from the main areas of Bolivia's illegal coca production, a marked increase in cocaine production, the government's failure to close illegal coca markets, and publicly stated policies that increase government-sanctioned coca cultivation, have placed in doubt the Bolivian government's commitment to cooperate in the fight against drug trafficking.

As provided for under the ATPA, USTR will publish a notice in the Federal Register inviting public comment on the President's proposed action and scheduling a hearing on the topic.

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