

**Press Availability
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USTR Robert B. Zoellick with Secretary Guzman, Dominican Republic

ZOELLICK: Well, I want to thank all of you for coming and I'm delighted to have this opportunity today to meet my friend and colleague Secretary Guzman of the Dominican Republic. We've been consulting and working very closely with the Secretary over a year to reach the point where we have today, and that is we now stand ready to begin our bilateral free trading negotiations to integrate the Dominican Republic into the agreement they were currently negotiating with Central America. Under our trade promotion authority procedures, we have a 90 day consultation period after we send the notice to the Congress about our intention to enter into a free trade agreement. So today I just began that process with our Andean colleagues. That ninety-day process is now run with the Dominican Republic, and we are pleased that we gained significant bipartisan support for the free trade agreement with the Dominican Republic. And, so since that 90 day period is just ended you might just say this is the first day of what I hope would be very fruitful FTAA negotiation. For us this is also a vote of confidence in the Dominican Republic, in the Caribbean and in the hemisphere.

We know that the Dominican Republic, like our other neighbors in the region, face challenges. But we're optimistic about the country's ability to overcome them, and we feel that working together we can deepen the partnership and be of help. We've discussed today holding the formal negotiating round in the Dominican Republic in January. And, beginning with a public launch, we will seek to conclude this agreement by March so that we can try to present it to the United States Congress as one free trade agreement with that of our Central American partners so we can include the United States, Central America and the Dominican Republic. Our economic ties are already very strong. The Dominican economy receives some \$4.3 billion in U.S. exports annually, and it has approximately \$1.4 billion of U.S. investment. Here in Florida the ties are particularly strong. The Dominican Republic is the second largest export bargain for the state of Florida. If we combine the markets of the Dominican Republic with that of our five Central American colleagues, that creates the second largest trading partner for the United States in Latin America. And, to give you an idea of the reference point, those six countries today already purchased more from the United States than does Brazil. So, in this way we will be moving forward on multiple fronts to try to achieve hemisphere free trade. And together, as the Secretary and I discussed, we stand shoulder to shoulder in trying to advance the ALCA because we also believe it's very important to achieve free trade and integration throughout the whole hemisphere. As in the past we will look for opportunities working with the Dominican Republic to try to advance that common agenda here later this week. So, I want to thank the Secretary and her team who have been extremely good partners in moving ahead in the ALCA bilaterally as well as in the WTO. She might want to say a few words as well.

SECRETARY GUZMAN: Thank you very much Ambassador Zoellick for your words. I just want to say today this is a very important moment for the Dominican Republic. We are fully aware of how important this moment is because we are such important partners of the United States. In fact, within the Hemisphere we are the second largest trading partner for the United States at this time. We believe that being part of this free trade agreement will afford us the opportunity to work together, not just towards the economic development of our region but also in areas having to do with social issues, technological advances, strengthening democracy and strengthening transparency and also making our economy and our hemisphere stronger and safer places. Therefore, we believe this is a very important step, as Ambassador Zoellick pointed out. Along with the countries of Central America we will be setting up a trading block with the United States that will be the second most important in the hemisphere. And we are sure that next year we will be able to accompany the countries of Central America - when this trade agreement is finalized - to have it ratified by the U.S. Congress.

ZOELLICK: We have a moment for a few questions if anyone has any.

Question: My name is [inaudible] for [inaudible] News. Are you saying you(inaudible) finalize the agreement with the Dominican Republic and Central America next March?

ZOELLICK: We are going to try to conclude with the five Central American countries in December. I just met with them. But, as we discussed with the Secretary, we hope to integrate the Dominican Republic into that agreement as we are going through another ninety-day notice period with the Congress. And, the way that we have to do that is that we would negotiate special - what trade people call - market access provisions for the goods, the agricultures, and the services for the Dominican Republic, but then use basically the same structure that we worked with the Central American countries, which is very similar to the Chilean structure and which we've been discussing with the Dominican Republic. So yes, the goal is to complete those market access negotiations by March so by the time we would be able to submit the Central American agreement, it would include the Dominican Republic - for passage as one unit. That's our goal, and that won't be easy. But, the preliminary work that the Secretary and her team have done has given us confidence about seeking to achieve that because they're very familiar with the Chile agreement. We've discussed where we are with the Central American agreement, and frankly we've had preliminary discussions on the type of market issues as well. So that's the goal.

CHRISTIAN ROBERTS with Reuters. I'm wondering if you can comment how these bilateral agreements are factoring in or weighing in on your effort to the larger multinational market?

ZOELLICK: I received that question this morning, but I'm glad you asked it because it is very important. First, the United States has always emphasized that to try to achieve free trade in the hemisphere we can do it through building blocks and step by step, at the same time we do it with all countries as a whole. So, we started with the North American Free Trade Agreement - actually Canada was the very first in 1988 - the North American Free Trade Agreement in '94; added Chile; hope to finish Central America and the Dominican Republic; move on with the Andeans. So, that's one way in which you can build towards free trade in the hemisphere step by step. In addition, the reason that we go with individual countries is because some countries are willing to move at a faster pace, and some countries are willing to accept a wider and deeper set of obligations. This in itself becomes constructive for the hemisphere as a whole because some of these provisions - whether they be in transparency as the secretary mentioned or in services or other areas - can become models that others work from. We've been making provisions dealing with labor and environment that no other countries have. Even though Chile was cautious about these, at a recent meeting I had the Chilean Minister was explaining how these help build support for the agreement in Chile. So, this also we believe helps give us momentum, and obviously this occurs in the context where other countries in the region also have trade agreements. Mexico has some thirty, nine or ten with countries in the region; Canada has a number; Mercosur has special trade arrangements. So, if we can help break down barriers together we create the right context for doing it among thirty four.

The United States has also had special preferential trade, so the Dominican Republic has been part of the Caribbean Basin Trade Partnership Act. It's like the Andean countries have had preferential one-way trade. But, we believe it's best to move that to a deeper, permanent two-way trade relationship. And finally, as some of our other colleagues have suggested, we can move forward the hemispheric ALCA negotiations with plurilaterals, which means a group of countries, not necessarily all countries. In a way, this is a very comprehensive plurilateral involving the Central American countries as well as the Dominican Republic. So we see them not as in competition but more in a reinforcing effort. But, obviously what it also signals is for those that are willing to do most and accomplish the most we will respond. And, indeed one of the reasons why we're here with the Dominican Republic is that when I had a conversation with President Mejia a couple of years ago we talked about the improvement we needed to make with the Dominican Republic. We weren't there when we started with the Centrals. But, frankly the Dominican Republic has done a tremendous job. We have other issues to still resolve, and that's why we are now trying to integrate them together.

Thank you very much.