

Testimony of Ambassador (Ret.) Peter F. Romero Before the House Ways and Means Committee, March 17, 2011

The good news is that our longstanding investment in Colombia is now paying off. The bad news is that others are literally “cashing in” as we appear unwilling to claim it for ourselves through a Free Trade Agreement (FTA). In the last year we have: downgraded our assistance through Plan Colombia; eliminated trade preferences of more than 18 years standing; have made no effort to help get Colombia into APEC (Asian Pacific Economic Cooperation); and after five years, refuse to tell the Colombian government what is deficient in the existing draft trade agreement.

There has been little official US acknowledgement of Colombia’s commitment to assisting other countries in their fight against global drug trafficking, to include Mexico and Afghanistan. The reality is that US tax payers (through our previous support for Colombia) have now subsidized Chinese, Korean, Canadian, European Union investment and exports to a safer, more democratic and lawful Colombia.

The short shrift that the Administration has given to Colombia and the region at large could not have been predicted from his first days in office. Barack Obama’s participation in the Fifth Summit of the Americas was heralded with great promise, ushering in a new beginning in our relationships between the United States and the rest of the Western Hemispheres’ nations. Our first president of color, his victory was a cause for great celebration, particularly among the poor and the politically marginalized in the region. Secretary Clinton has done what she could to fill this void by visiting the region frequently, by accepting our shared responsibility for the violence plaguing Mexico and for the devastation in Haiti. Her challenge to the region to better empower women has created real resonance. But this does not substitute for a well crafted hemispheric agenda, an accompanying action plan or for the President’s engagement.

While the Administration deals with unprecedented domestic and international security issues, it appears to believe that there is nothing that can be done to arrest the persistent deterioration of essential democratic principles and institutions in the region. The policy seems to rely heavily on the clock to take care of the likes of Chavez, Ortega, Morales and Castro.

There is no better example of how polarized and politicized the region has become than that of Honduras. Hondurans now have a democratic government with the imprimatur of internationally-monitored free elections and none of whose leaders were involved in a 2008 coup. They have not even been successful in even getting a hearing to be re-admitted into the Organization of American States (OAS). This as some members in good standing, such as Venezuela are never questioned as they eviscerate vital democratic institutions, use the law selectively against political opponents and corruption and narco trafficking are rampant. By controlling all levers of government Hugo Chavez has

become a dictator and the countries of the hemisphere do nothing to hold him accountable.

Lying in the midst of all this is Colombia. Situated in a tough neighborhood, Colombia has run afoul of its neighbors by defending its territory against guerrilla groups that are supplied, find rest and recuperation and support in neighboring countries. An attack, against the second highest ranking FARC commander, 1.5 kilometers inside Ecuador, provoked a heavy rebuke by other South Americans. When Colombia tried to take the information gleaned from the captured laptops at the scene of the attack to regional and hemispheric fora, it was virtually ignored. When the Colombian government complained that Swedish-made, shoulder-fired missiles sold to the Venezuelan military had been discovered in Colombia in a captured FARC cache, there was no hemispheric solidarity. Finally, when the Colombian government decided to formalize an agreement to permit the US to use some of its military bases in the fight against drug trafficking, the outcry throughout South America was deafening. During all this Colombians looked to the US for validation and support and in the end were on their own.

What they see is a Washington pulling away. The US has lowered its support for Plan Colombia, this at a time when Plan Colombia has become a bipartisan success story in Washington and a security game changer in Bogota. It has provided the tools for the Colombian government to establish authority in places that had been under the control of narcos, guerrillas, paramilitaries and gangs for decades. The grassroots “Whole-of-Government” approach undertaken by then-President Uribe and now President Santos has succeeded in winning back large tracts of Colombia’s previously ungoverned spaces.

At its core, Colombia’s “Democratic Security” policy starts and ends with local empowerment. The government follows through on its project commitments, but village/town dwellers and their leaders set the project agenda and monitor progress. “Democratic Security” has become the gold standard in effective counterinsurgency operations. Versions of this strategy have been employed by US forces to positive effect in Iraq and Afghanistan. Even Mexican state and local officials are now hosting Colombian officials and sending teams for training there. Colombians are determined to defend their security and democracy gains, but to do so would require generating jobs for the tens of thousands of youth who enter the job market every year. The FTA would do just that. It would help the Colombian government in finishing the job that we undertook together over a decade ago, by providing a legitimate livelihood instead of growing coca or taking up arms.

Colombia had been our strongest and most longstanding strategic ally in the region. It has provided troops for Korea, the Sinai and now Afghanistan. It chairs the UN committee charged with implementing US-backed sanctions against Iran. Nevertheless, after over five years of waiting for the US to ratify a Free Trade Agreement, and now seeing its trade preferences evaporate because of a lapsed ATPDEA, it has begun to look elsewhere for new trade opportunities and is beginning to mend fences with its neighbors by distancing itself from the US. On the trade front this was not always the case.

Colombia had been the largest purchaser of US agricultural products in South America. In the five years prior to 2008, US exports of wheat, corn, soybean and soy oil had been expanding by about 38% per year, accounting for nearly \$4 billion a year in US exports. In the last two years, while the US has failed to ratify the FTA, Colombia has concluded trade deals with our competitors, Canada, Chile and the European Union and deepened existing agreements with Argentina, Brazil, Paraguay and Uruguay. As a result, in the last two years US exports of agricultural products have fallen by almost half and our market share has gone from 71% to around 27%!

Passing the FTA would stop the erosion of our market share and would create new opportunities for trade and investment in this market of 46 million consumers, the third largest market in Latin America, after Brazil and Mexico. Critically, it would generate thousands of jobs at home at a time of great need. Ratifying the FTA now would also give the US an opportunity to re-assert its leadership in the region and begin again to shape events there, instead of seeming powerless to react. Conversely, failure to act will send the US further into a crisis of credibility in the region from which we may not be able to return.

Many members of the House and Senate are uneasy about bringing the Colombia FTA to a vote because of threats to labor, particularly violence against labor leaders there. This is a legitimate concern. Throughout my work life I have eagerly joined four labor unions and I am currently a board director for the Foundation of the largest teacher association in the US. After having spent considerable time in Colombia analyzing labor issues, I can say that the Colombian government, its courts and the independent prosecutor have performed admirably in changing what had been an anti-union culture in the country. Officers of the Colombian police now protect threatened labor unionists. Attacks on labor organizers have fallen off dramatically to single digits, the country's labor laws are being better respected and, most importantly, there is an ongoing formal dialogue between labor and management at the national and local levels.

President Obama leaves for the region tomorrow. Regrettably, he will not be visiting Colombia. If he did, he would see first-hand the enormous progress on labor rights and the rule of law that has taken root there. One of President Santos' earliest acts, after being inaugurated, was to reach out to the country's judiciary, placing a high value on the rule of law and also re-establishing the Ministry of Justice. He has emphasized time and again that public officials will be held accountable for their actions under the law.

Congress should do the right thing and pass the Colombia FTA as soon as possible. Colombia is reeling from the worst rains in its history. Over three million people have lost their homes due to flooding. There is no better time to give these suffering people hope by passing an FTA. I hope that the Obama administration soon realizes that enough progress has been made in Colombia to warrant passage. The President and the American people should know that the nations of our hemisphere are watching this very closely. If the US does not deliver on an FTA for Colombia, our closest ally in the region, they will continue to ask themselves whether there are any benefits in aligning their countries with the US.

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