Department of Justice, Peace, and Human Development



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February 25, 2008

The Honorable Henry M. Paulson, Jr. Secretary of the Treasury Washington, D.C. 20220

Ambassador Susan Schwab U.S. Trade Representative 600 17th Street, N.W. Washington, DC 20508

Senator Harry Reid, Majority Leader U.S. Senate Washington, D.C. 20510 Senator Mitch McConnell, Minority Leader U.S. Senate Washington, D.C. 20510

The Honorable Nancy Pelosi Speaker, U.S. House of Representatives Washington, D.C. 20515

The Honorable John Boehner, Minority Leader, U.S. House of Representatives Washington, D.C. 20510

Dear Secretary Paulson, Ambassador Schwab and Congressional Leadership:

I am writing on behalf of the United States Conference of Catholic Bishops (USCCB) to offer reflections on several key trade measures that Congress may act on this year.

USCCB takes a particular interest in trade policy and legislation because of its potential to promote integral human development in the poorest countries and among the poorest communities around the world. Much more than fostering economic growth, trade should play an essential role in reducing poverty by helping to shape domestic and international legal frameworks to protect workers and the environment, ensure opportunities for decent work at a just wage for struggling families and provide access to technology and knowledge for those at the margins of society.

In the Church's vision, economic life should be guided by a moral framework that respects the life and dignity of every person. The *Catechism of the Catholic Church* teaches: "The human being is the author, center and goal of all economic and social life. The decisive point of the social question is that goods created by God for everyone should in fact reach everyone in accordance with justice and with the help of charity." (# 2459)

Trade policy should include complementary policies and initiatives that promote equitable development for all people. Increased trade should leave no one behind, particularly the least among us. For this reason, the United States has an obligation to ensure that trade agreements

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reach beyond merely economic considerations to wider concerns of the common good of all and the well-being of the poorest in particular.

Some steps have been taken over the past year to improve current trade policies so that they foster genuine development. Last year, our Conference welcomed the bipartisan trade framework agreed to by Congressional leaders and the Administration. In 2008, there are several ways to build upon work already done to help make trade work for all:

Haiti Trade Preferences: USCCB actively worked for enactment of trade preference legislation for Haiti in 2006. The *Haitian Hemispheric Opportunity through Partnership Encouragement* (HHOPE) Act was an initial step in building trade capacity that offered some Haitians a chance to escape poverty and build a future for themselves and their families. HHOPE's successes are modest but real. USCCB urges you to work to improve the existing legislation in ways that lead to longer-term development. The United States should seize the earliest opportunity to make a significant improvement in the lives of Haitians.

Andean Trade Preferences (ATPDEA): USCCB supports long-term renewal of *trade preferences* for Bolivia, Ecuador, Colombia and Peru. The Andean countries continue to have high levels of poverty. The original intention of this program was to help poor countries in the hemisphere diversify their economies in ways that would offer alternatives to illicit drug crop production. Weakening of these export opportunities may also weaken counter-narcotics efforts in the Andean region. The recent practice of short-term extensions of these trade preferences is damaging to economic development. Our nation should not hold some of the poorest people in the Hemisphere in economic limbo in the hope of gaining leverage in efforts to pass other bilateral agreements. The poor must not be made to compete for trade preferences that are a vital part of reducing deprivation.

New Partnership for Development Act (NPDA) HR 3905: HR 3905 would create a mutually beneficial trade relationship between the world's richest economy and the world's least developed countries. NPDA would help ensure that the poorest countries can benefit from appropriate trade preferences by including significant trade capacity building assistance. The poor should have "preference" as the Church teaches. NPDA makes this preference concrete; showing that U.S. trade policy can become more effective *and* fair.

U.S.-Colombia Free Trade Agreements: The May 2007 bipartisan trade policy framework led to some improvements in the trade agreement between the U.S. and Peru. The U.S.-Colombia trade agreement reflects these changes. The changes made to the intellectual property provisions within the agreement that would more readily ensure access to life-saving medicines are particularly important. However, the likely negative impact of the agreement on Colombia's small farmers and rural communities is troubling. There must be more effective mechanisms to alleviate the adverse effects on Colombia's

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rural communities. Rural desperation could lead to increased coca production with dire consequences not only for Colombia, but for the United States and the entire region. Given its multifaceted provisions, USCCB does not take an overall position on the agreement, but it is our hope that the debate and decisions on the proposed U.S.-Colombia FTA lead to improved and meaningful steps forward in advancing fair trade relations between the countries.

With good wishes for your efforts to make trade work for all and for poor people in particular, I remain,

Sincerely yours,

+Thomas Denski

Most Rev. Thomas G. Wenski Bishop of Orlando Chairman, Committee on International Justice and Peace

Cc: Senator Max Baucus, Chairman, Committee on Finance Senator Charles Grassley, Ranking Member, Committee on Finance Rep. Charles Rangel, Chairman, Committee on Ways and Means Rep. James McCrery, Ranking Member, Committee on Ways and Means