



INFORMATION TECHNOLOGY
ASSOCIATION OF AMERICA



An Open Letter to the President and Congressional Leaders:

On behalf of the United States information technology, telecommunications, electrical manufacturers and consumer electronics industries, its millions of American workers and thousands of companies, we are writing to urge Congressional Leadership and the White House to redouble their efforts to pass the remaining free trade agreements -- Colombia, Panama, and Korea. Recent press reports indicate that the White House and House Leadership continue to seek a way forward on Colombia. We urge all parties to resolve their differences and advance our nation's best interests by passing these important agreements.

High-tech innovators are among the strongest drivers of American innovation and economic growth and it is important to reiterate how critical trade is to our workers and companies. In fact, in many instances, foreign trade accounts for as much as 60 percent of an individual company's annual revenue, supporting an estimated one in three high-tech jobs. The outstanding trade agreements will help our companies remain competitive by increasing their market share, both essential to the future of America's high-tech sector and its unparalleled workforce.

Colombia is a growing market for the U.S. high-tech industry, with 44 million consumers and one of the fastest-growing economies in Latin America. From 2001 to 2007, U.S. high-tech exports to Colombia increased 100 percent, yet those exports faced significant duties (*AeA, March 2008*). This Agreement will level the playing field for American workers by removing tariffs from U.S. goods and barriers to services provided to the Colombian market (Colombian goods already enter the United States duty free). The Agreement also sets forth principles for an open and competitive telecommunications market, which will increase demand for U.S. telecommunications equipment. Ratification will lend support to a key U.S. ally in Latin America, and ensure the implementation of strong and enforceable provisions protecting the environment and workers' rights. Approval of this Agreement is a clear win for our workers, customers, and the U.S. economy.

Further, the KORUS FTA was concluded on April 1, 2007 and helps American workers penetrate a significant market for the high-tech goods and services. Korea is the world's tenth largest economy, with a GDP of nearly \$1 trillion and is the United States' seventh largest goods trading partner. Trade in goods in 2007 was valued at approximately \$82 billion. Between 2001 and 2007, U.S. high-tech exports to Korea increased by 20 percent, totaling \$8.9 billion in 2007 (*AeA, May 2008*). Passage of the Agreement will build on a dynamic bilateral trade and investment relationship between the United States and Korea, adding certainty for our industry's business leaders, removing tariffs and non-tariff barriers. It also contains important regulatory due process improvements. When implemented fully, the strong and balanced intellectual property provisions of the Agreement should reduce software piracy in Korea, a continuing objective for our industry.

We urge that progress toward global economic and social engagement through trade not be derailed as we move into the digital era, where American innovation and creativity have natural advantages. A retreat from international trade would also be a retreat from the long-standing American role of global economic and diplomatic leadership.

Instead, we ask for your continued leadership in reducing foreign trade barriers and allowing American high-tech workers to sell the fruits of their industries' genius around the globe. This is the best path to ensure that our industries can continue to create high-paying U.S. jobs, powering our economy and expanding opportunity. That leadership starts with passing the Colombian, Korean, and Panamanian Free Trade Agreements.

Sincerely,

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