

I welcome you all this morning to this hearing to review the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). I appreciate our witnesses and members of the public being here as well as those who are listening through our website.

On December 17, 2003, the United States concluded a free trade agreement with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras & Nicaragua) and the Dominican Republic later joined in March 2004. The DR-CAFTA follows agreements such as the Caribbean Basin Initiative and the North American Free Trade Agreement by lowering tariffs and reducing barriers to trade in the Western Hemisphere.

Without a doubt, one of the more important and effective ways to create jobs in the United States is to increase our trading opportunities and open foreign markets. That way we can sell more American products and increase our business opportunities overseas. The tangible rewards of increased sales make the importance of supporting more open trade clear and convincing.

I don't think there's any question but what the future of agriculture, of which we are concerned with today, depends on our ability to market what we know to be the finest quality of agricultural products grown by anybody in the world. So, agreements like this certainly are critically important for the future of American agriculture.

This hearing seeks to assess the impact of the DR-CAFTA on the agriculture and food sectors recognizing both the benefits and the costs. As chairman of the Senate Agriculture Committee, I have heard from many agriculture and food groups and I acknowledge the benefits of this free trade agreement. In fact, recently, a coalition of 78 agriculture and food groups sent a letter to the Senate supporting the DR-CAFTA. The list is impressive and covers all commodities and sectors of agriculture. Without objection, I will insert this letter into the record.

However, this free trade agreement will be perhaps one of the most difficult votes in the 109th Congress and as with all agreements it will have repercussions that we cannot fully predict. As elected officials, we need to be mindful of how the policies and legislation we pass on a national level impact our constituents intimately. We are holding this hearing for that specific purpose.

We also need to better understand the impacts to domestic industries resulting from new competition and changes in law. One of my major concerns regarding the agreement rests on the fact that the agriculture provisions, specifically those concerning sugar in this instance, can and likely will seriously impair the operations of the sugar program as passed in the 2002 Farm Bill.

When Congress granted trade-promotion authority to President Bush in 2001, we understood that each agreement would have to be judged on the merits and that some might not pass the Congress. Certainly the effects of a bilateral or regional agreement can not yield the benefits that a multi-lateral agreement, as in the World Trade Organization can afford, and as such must be judged accordingly. The North American Free Trade Agreement illustrates that support for more open trade on a national level is extremely sensitive to the collective individual experiences of workers in our communities. I look forward to the testimony of our witnesses

today as we continue to address the concerns that many of us have relative to this trade agreement.