



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 29, 2005
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 1307 - Dominican Republic-Central America-United States

Free Trade Agreement Implementation Act

(Grassley (R) IA and 2 cosponsors)

The Administration strongly supports S. 1307, which will approve and implement the Dominican Republic-Central America-United States Free Trade Agreement (Agreement), signed by the United States and Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua (Central America) and the Dominican Republic on August 5, 2004.

The Agreement advances U.S. national economic and security interests and is fully compatible with the requirements of the Trade Act of 2002. The Agreement will strengthen our economic ties with our democratic neighbors, promote opportunity and prosperity in the United States and the region, and strengthen our security at home by promoting democracy and prosperity in our hemisphere.

The Agreement will further open a market of 44-million consumers for U.S. manufactured goods, agricultural products, and services. Today, most imports from Central America and the Dominican Republic enter the United States duty-free, but U.S. exports to the region face substantial tariffs. The Agreement will help level the playing field for our farmers, businesses, and entrepreneurs. And by lowering barriers in key sectors like textiles and apparel, the Agreement will put our region in a better position to compete with low-cost producers in Asia.

The Agreement provides a unique opportunity to promote democracy, security, and prosperity in a part of the world once characterized by oppression and military dictatorship. The agreement is critical to the economic and political stability of these young democracies, and is a signal of our Nation's commitment to democracy and prosperity in the hemisphere. We urge Congress to act expeditiously to approve S. 1307.

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