

Senate Committee On Foreign Relations
Chairman Richard G. Lugar
Opening Statement for Hearing on
Uruguay Bilateral Investment Treaty
June 12, 2006

The Foreign Relations Committee meets today to review the Bilateral Investment Treaty with Uruguay, which was signed last fall. This agreement promotes investment and economic cooperation with a friend and partner in the Western Hemisphere. It would deliver important benefits to the United States, and it would reinforce the significant economic reforms that Uruguay has undertaken in the recent past.

The agreement has already been approved overwhelmingly by both houses of the Uruguayan legislature. This support is a measure of President Vázquez's political leadership and his commitment to build a stronger political and economic relationship between Uruguay and the United States.

More than eighty U.S. companies have operations in Uruguay, and the United States became Uruguay's largest export market in 2004. In the absence of a Free Trade Agreement of the Americas that facilitates trade on a hemispheric scale, we should move forward where we can to create open markets on a bilateral basis. Consequently, the United States should consider whether the groundwork laid by this bilateral investment treaty could be expanded into a full free trade agreement with Uruguay.

I encourage the Administration to continue its successful pursuit of bilateral investment treaties. These agreements open opportunities for our domestic companies and establish greater security for mutual investment. They promote open, transparent, and non-discriminatory treatment of private investment, which is essential to ensuring that American companies can compete equitably in foreign markets. Cooperation on the commercial front also enhances our broader relationships with other nations.

I welcome our distinguished witness, Mr. Daniel Sullivan, and congratulate him on his recent confirmation as Assistant Secretary of State for Economic and Business Affairs. The Committee looks forward to our discussion about the treaty.

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