



Please deliver to:
**Foreign Affairs
Legislative Aide**

Armenian National Committee of America
NATIONAL HEADQUARTERS

To: Foreign Affairs Legislative Aide
From: Aram Hamparian, Executive Director
Date: August 9, 2010

RE: U.S.-Armenia Trade and Investment Framework Agreement

Attached please find two documents about the benefits of a U.S.-Armenia Trade and Investment Framework Agreement (TIFA).

- 1) A two-page briefing document on U.S.-Armenia trade relations
- 2) An ANCA letter urging the USTR to negotiate a U.S.-Armenia TIFA

The topic of negotiating a U.S.-Armenia TIFA has been on the official agenda of the U.S.-Armenia Joint Economic Task Force for the past several years, but, as yet, no official action has been taken to put such an accord in place.

A TIFA would help foster economic growth in both the United States and Armenia, strengthening ties between our two governments and further reinforcing the bonds between American and Armenian peoples.

We would, of course, be pleased to provide you with additional information if you would like to learn more about this issue, or if your office is interested in reaching out to Ambassador Ron Kirk, the U.S. Trade Representative, in support of putting in place a U.S.-Armenia TIFA.

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U.S.-Armenia Trade and Investment Agreement

"[...] my Administration will help foster Armenia's growth and development through expanded trade and targeted aid, and by strengthening the commercial, political, military, developmental, and cultural relationships between the U.S. and Armenian governments."

-- Barack Obama, January 19, 2008

The U.S. and Armenia would benefit from a Trade and Investment Framework Agreement

In the spirit of President Obama's campaign pledge to expand trade with Armenia, the ANCA has called upon the U.S. Trade Representative, Ron Kirk, to enter into negotiations with Armenia to act on the interest expressed by both countries in negotiating and implementing a Trade and Investment Framework Agreement (TIFA).

The ANCA, in a June 11, 2010 letter to the USTR, highlighted the mutual benefits of "providing a platform for U.S. officials to meet and consult on a regular basis with Armenian government officials about expanding opportunities for bilateral trade and investment."

The ANCA sent a June 21, 2010 memo in support of a bilateral TIFA, along with a copy of the letter sent to the USTR, to each Congressional office. This memo can be viewed at: http://www.anca.org/assets/pdf/hill_notes/062110_tifa.pdf

The ANCA has also posted an action alert for citizens to send letters to their Members of Congress in support of a U.S.-Armenia TIFA. This action alert can be viewed at: <http://www.capwiz.com/anca/issues/alert/?alertid=15159376>

Background:

The U.S. government had negotiated TIFAs with over 50 other countries and regional economic groups, including Georgia and Ukraine.

TIFAs provide strategic frameworks and principles for ongoing government-to-government dialogue on trade and investment issues.

The prospect of putting in place a U.S.-Armenia TIFA has been on the agenda of several past meetings of the U.S.-Armenia Joint Economic Task Force, but specific action has not yet been taken on this matter.

Detailed information about TIFAs is available on the USTR website: <http://www.ustr.gov/trade-agreements/trade-investment-framework-agreements>

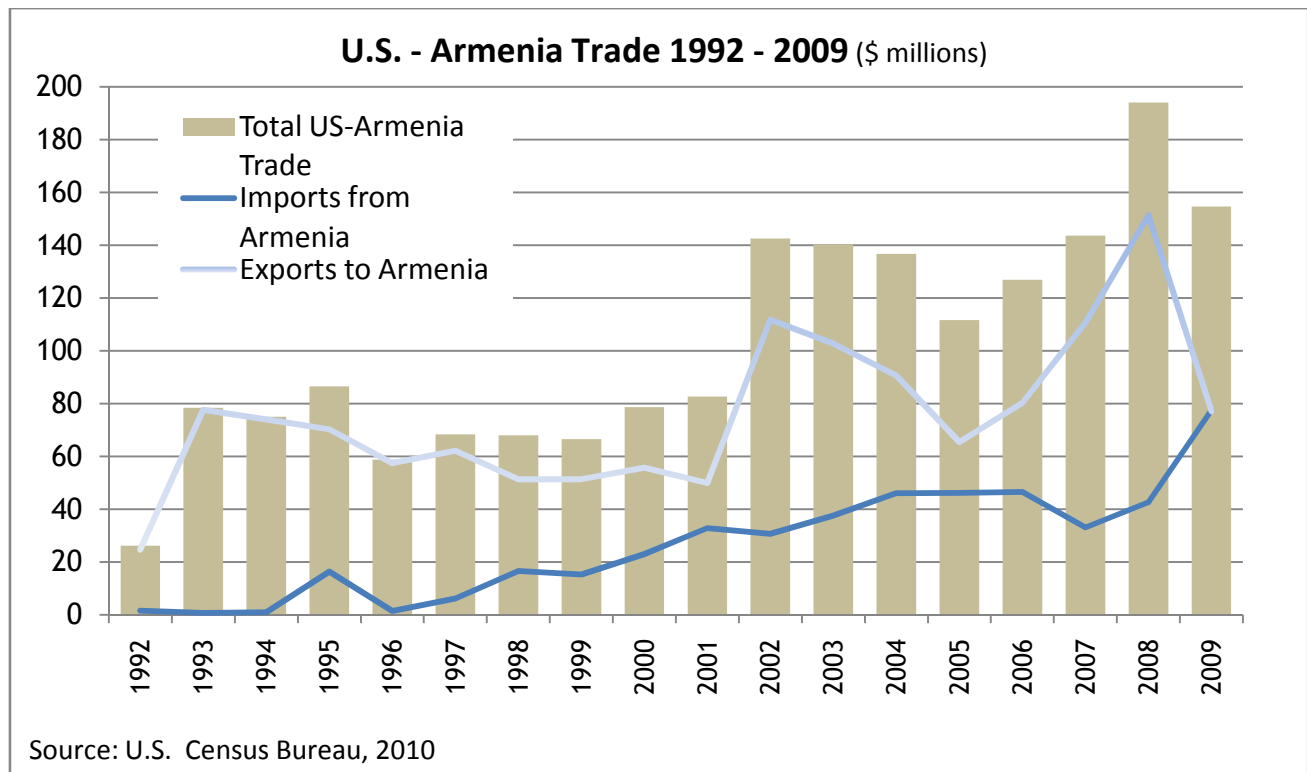
Key U.S.-Armenia Economic Milestones:

- A U.S.-Armenia Investment Incentive Agreement entered into force on April 2, 1992.
- A U.S.-Armenia Agreement on Trade Relations entered into force on April 7, 1992.
- A U.S.-Armenia Bilateral Investment Treaty entered into force on March 29, 1996.
- With U.S. support, Armenia became the 145th member of the WTO on February 5, 2003.
- Armenia received Permanent Normal Trade Relations status on January 7, 2005.

Areas for Expanded U.S.-Armenia Economic Cooperation:

In addition to Armenia's negotiating a Trade and Investment Framework Agreement with the United States, other new bilateral economic agreements should include:

- **Bilateral Taxation Treaty:** Because this treaty has not yet been negotiated, U.S. businesses in Armenia are still operating under an outdated Soviet era tax treaty.
- **Social Security Agreement:** Armenia is not yet among the 24 countries that have negotiated such an agreement (often called a "totalization agreement") with the U.S.



Despite a global downturn in international trade, imports and exports between the U.S. and Armenia increased significantly in the first half of 2010, totaling \$96 million. These figures are considerably higher than all previous years during the same six month period: \$74 million in 2008 and \$55 million in 2009.



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June 11, 2010

The Honorable Ron Kirk
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Kirk:

I am writing to urge you, in the interest of fueling U.S. economic growth and strengthening our nation's bond with the Armenian people, to enter into formal discussions with the Republic of Armenia regarding the negotiation of a Trade and Investment Framework Agreement (TIFA).

The establishment of such an bilateral agreement would build upon our current economic dialogue with Armenia. This type of discourse takes place today, in large measure, within the context of the U.S.-Armenia Joint Economic Task Force. A TIFA agreement would provide a broader, ongoing, and more consistent platform for our government to meet and consult with Armenian government officials regarding expanding our economic cooperation and exploring opportunities for trade and investment.

Armenia, as you know, has received Permanent Normal Trade Relations status and is a member in good standing of the World Trade Organization. Armenia's exceptional progress in establishing a modern, market-oriented economy, in the face of illegal blockades by both Turkey and Azerbaijan, has been consistently praised by the Wall Street Journal/Heritage Foundation Index of Economic Freedom, which rates Armenia as among the freest economies among the states of the former Soviet Union.

continued

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Armenia is a partner with the United States in seeking regional peace, including through its full engagement in ongoing talks, mediated by the Organization for Security and Cooperation in Europe, to resolve the Nagorno Karabagh conflict. The Armenian government sent troops to Iraq as part of our Coalition operations, deployed forces to Kosovo as part of the NATO peacekeeping efforts, and has sent a contingent of forces to Afghanistan in support of our military mission in that nation.

President Barack Obama, during his campaign for office, pledged that his Administration would “help foster Armenia’s growth and development through expanded trade and targeted aid, and by strengthening the commercial, political, military, developmental, and cultural relationships between the U.S. and Armenian governments.” The establishment of a TIFA would represent a concrete expression of the President’s commitment and a meaningful contribution to the trade and investment relationship between our two friendly nations.

I want to thank you for your consideration of our request and would very much appreciate your leadership in initiating discussions toward a U.S.-Armenia Trade and Investment Agreement. As always, we stand ready to meet with you and to assist you in all your efforts to broaden the U.S.-Armenia partnership.

Sincerely,



Kenneth V. Hachikian
Chairman