

# Senate committee approves U.S.-Peru trade deal

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Reuters  
October 5, 2007

WASHINGTON - The U.S. Senate Finance Committee on Thursday approved a free trade deal with Peru that contains groundbreaking labor and environmental provisions demanded by Democrats after they captured Congress last year.

The panel approved the pact on a voice vote two weeks after endorsing a draft White House bill to implement the deal.

Top Democrats have said they expect the trade agreement to win final congressional approval in the coming weeks. The House of Representatives Ways and Means Committee and the full House and Senate also must give their OK before the final bill is sent to President George W. Bush to sign.

The deal locks in Peru's duty-free access to U.S. market under a longstanding Andean trade preference program.

For U.S. business, the agreement immediately eliminates duties on 80 percent of industrial and consumer product exports to Peru and more than two-thirds of farm exports. Most other duties will be phased out over 10 to 15 years.

The fate of the deal was in doubt after Democrats took charge of Congress in January. To salvage the pact, the Bush administration and Peru agreed to changes to strengthen the agreement's labor and environmental provisions.

The pact boosts protections for workers by requiring the two trading partners to adopt, maintain and enforce core international labor standards, such as the right to bargain collectively and go on strike.

The environmental provisions requires the United States and Peru to effectively enforce their domestic environmental laws and to honor international environmental obligations.

For the first time in a U.S. trade agreement, the labor and environmental commitments also will be enforceable through the same mechanism as commercial provisions of the pact.

Peru will also open its banking, insurance and other services markets to more U.S. companies and strengthen copyright, patent and trademark protections for U.S. products ranging from music to manufactured goods.

The Bush administration began negotiations with Peru, Colombia and Ecuador on an U.S.-Andean free trade agreement in May 2004. It concluded an agreement with Peru in December 2005 and signed it in April 2006.

Colombia struck its own deal with the United States a few months after Peru, but negotiations with Ecuador collapsed and proposed talks with a fourth Andean country, Bolivia, never officially started.

The Bush administration wants lawmakers to pass the Colombia agreement after it finishes work on the Peru pact. However, senior Democrats have demanded Colombia first show more progress in reducing violence against trade unionists and bringing their murderers to justice.

Still, with the Andean trade preference program set to expire at the end of February, lawmakers will have to decide whether to renew that program for Colombia for the third time in less than two years or pass the trade pact.