

The logo for the Citizens Trade Campaign, featuring the text "Citizens Trade Campaign" in white, bold, sans-serif font on a blue rectangular background.

**Citizens
Trade
Campaign**

working **together** for **social** and **environmental** justice in trade policy

To: Fair Traders
From: Citizens Trade Campaign
Re: Canning CAFTA in Congress!
Date: March 1, 2004

Welcome to Citizens Trade Campaign's **NAFTA, CAFTA, Do We Hafta!?** **Action Kit!** As we gear up for what could be a major Fair Trade fight we hope this mailing will provide you with some resources for "Canning CAFTA in Congress!"

Earlier this month, the text of the Central American Free Trade Agreement (CAFTA) was released to the public, and, just last week, President Bush gave notice to Congress of his intent to sign the agreement. As most of you know, passing CAFTA is the key point of the other side's strategy to secure the Free Trade Area of the Americas (FTAA) throughout the hemisphere. As such, our best strategy right now to defeat the FTAA is to prevent CAFTA's passage and show to the entire hemisphere that the NAFTA model is a thing of the past.

CAFTA has no meaningful protections for workers or the environment, would deal a serious blow to Central American and U.S. small farmers, allows corporations to challenge domestic environmental and public health protections, and restricts the ability of governments to provide access to medicines. It's NAFTA times five. The provisions of CAFTA go way beyond those of NAFTA in several areas including new rules which constrain signatory countries' ability to regulate corporate conduct in service sectors such as development, waste treatment, energy extraction and much more.

The services rules in CAFTA are top-down, so they cover all types of services unless a country has explicitly negotiated an exclusion for that service. What's more, CAFTA's services provisions apply to regulations at the Federal, state, and local level. CAFTA also has new rules which would allow challenges to several government purchasing policies such as those which encourage procurement of environmentally sound goods, or establish minimum labor requirements for government service contracts. Human rights regulations like Burma and South Africa divestment policies are also at risk. CAFTA also would cause serious harm to the thousands and thousands of small farms that grow sugarbeets around the northern Midwestern U.S. For more details on CAFTA's contents and implications, see the talking points and fact sheets included.

We expect CAFTA to come before Congress as early as this spring. We are dealing with an unknown in that the timeline for a CAFTA vote is butting up against elections, which could either play out as a positive that holds Congress true to its base, or a negative, in which we could face a CAFTA vote when Congress feels least accountable, after the elections in early '05. The other wildcard is that the Administration could postpone a CAFTA vote until just after the elections during a so-called "lame duck" session, which could completely change the dynamics of the fight.

The good news is that CAFTA is entirely defeatable. When there is a vote, and even if there is a vote, will rely totally on our work. Some members of the Democratic leadership are ready to oppose CAFTA, but we will need to hold them true to this and gear them up to actually lead a fight. Our window of opportunity to kill CAFTA, give a fatal blow to the FTAA, and finally bury the NAFTA model is now. Whether the vote happens shortly or in 2005, we need to be active now to create enough opposition to CAFTA that the Administration decides not to bring it up for a vote that they would be sure to lose.

With the CAFTA text now public, it's time for Members of Congress to form their positions. Without a scheduled vote to force them to take a stance, however, we will have to drag a position out of them. Now, before the elections, is our maximum time of leverage. Even if the vote is not till 2005, we will need to have already gotten a commitment from Members to stand a chance of winning.

If you missed this Presidents' Day Congressional recess as a chance to raise some CAFTA hay with your Member of Congress and Senators, it's not too early to start making plans for the Spring Recess (April 5th–16th). It's also time to get the word out in the media, and bring in new allies to the fight. Included in this packet you'll find fact sheets, sample Letters to the Editor, Congressional talking points, Lobby report forms, a sample letter to Congress and other tools to help you.

Unfortunately, CAFTA isn't the only fight on the horizon. The Administration just recently negotiated a free trade agreement with Australia that would be extremely harmful to U.S. rural communities, including ranchers and wheat farmers, and that has provisions on intellectual property rights that could restrict access to essential medicines. Notice to begin negotiating a free trade agreement with Thailand has also just been given by the Administration.

Fortunately, the climate for "free trade" and unfettered corporate investment has not exactly been favorable recently. Great work was done in the Presidential primaries to move Democratic contenders to adopt fair trade positions, and to be vocal about the issue. All of the top contenders have articulated positive stances on trade, which has become a top issue in the debate. We'll need to work to keep trade an issue past the primaries and into the general election so that the message is sent to Congressional candidates that trade matters to voters.

You can help with this by utilizing the enclosed Letters to the Editor, campaign letters, and caucus resolutions. Of course the Administration makes our job easier when its top economic advisor says things such as: "*Outsourcing is just a new way of doing international trade. More things are tradable than were tradable in the past. And that's a good thing.*" -N. Gregory Mankiw, Chairman of President Bush's Council of Economic Advisors, in the February 10, 2004, *Seattle Times*.

And what *is* happening with the FTAA? Well, after negotiators failed to reach agreement at the ministerial in Miami last November, negotiations were punted to the Trade Negotiations Committee (TNC) which is made up of the vice-ministers of trade of each of the 34 countries participating in the talks, and functions as the boss of the nine thematic FTAA working groups. The TNC met earlier this month in Puebla, Mexico to try to come up with a negotiating map to instruct the nine negotiations working groups. However, in a repeat of WTO Cancun ministerial dynamics, the vice-ministers reached an impasse on several key issues, the most contentious of which was agriculture. Negotiations split into two blocs: the U.S.'s corner (includes the countries we have already negotiated trade agreements with- Central America, Canada, Mexico and Chile), and the MercoSur countries (Argentina, Brazil, Paraguay and Uruguay) teaming up with Bolivia, the Caribbean Community (CARICOM) and Venezuela.

Mercosur is demanding either removal or compensation for U.S. internal supports for key products such as soybeans, corn, beef and dairy, and the U.S. maintains that this issue should be dealt with in the WTO. Meanwhile, Bolivia, Caricom and Venezuela are adamant in their demand for assistance for countries with smaller economies which the U.S. opposes. The Puebla meeting ended with a call for another meeting in March. Meanwhile the next FTAA ministerial in Brazil, which FTAA Ministers in Miami set for this summer, has been postponed until the fall in what some say might be a political move to push the meeting off until after the U.S. elections. The bottom line is that we need to keep the pressure up on the FTAA, even as we launch our campaign against CAFTA. The Global South coalition and civil society pressure at home have been very effective, and if we keep it up, we can stop the FTAA!

On a personal note, I'd like to say thanks to all of you for the opportunity to work with such a dedicated and wonderful crew. After March 10th I'll be moving on to other things and leaving CTC in the hands of a skilled and passionate staff. It's been an honor to work with you all, and I look forward to seeing CTC grow and strengthen under new leadership!