



Citizens Trade Digest

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Fast Track expires, with little prospect of renewal

As of June 30, the White House lost the legal privilege to pursue international trade agreements under Fast Track Authority. Re-branded by the Federal government as "Trade Promotion Authority (TPA)," Fast Track barred meaningful Congressional input in trade negotiation. Under Fast Track provisions, trade deals introduced to Congress by the White House could not be amended, but only ratified or rejected.

Congressional Democrats say that they presently have no intention of renewing Fast Track. Their refusal reflects a growing recognition on Capital Hill of the negative impact that the NAFTA trade model is having on livelihoods in the US and abroad. In particular, Democratic Representatives and Senators express concern that an unacceptably small number of Americans are reaping the benefits of Globalization, and that many are being harmed by it. This is particularly true of workers in industries that have been hard-hit by foreign competition or outsourcing.

Bush Administration officials and United States Trade Representative officials call for the renewal of Fast Track. While Secretary of State Condoleezza Rice claimed that Fast Track was important to opening and maintaining diplomatic relations with many nations, US Trade Representative Susan Schwab warned Charles Rangel and other Congressional Democrats that they risked giving competitor nations an economic advantage over the U.S.

The Democrats, for their part, enjoy broad grassroots support for their decision to not renew Fast Track. Far beyond beginning to recognize the fallout of the NAFTA trade model, many of the groups who called for the non-renewal of Fast Track advocate a substantial shift in trade policy. They point to Fast Track as a contributing factor in passing NAFTA and similarly unpopular trade measures. Integrating democratic processes into trade negotiations, by allowing Congress to debate and vote on specific provisions, is one step toward creating a trade model that is beneficial to the majority of Americans.

Sources:

Bush Losing “Fast Track” Trade Power, Associated Press, July 2, 2007

http://www.citizenstrade.org/pdf/ap_bushlosingfasttrack_07022007.pdf

713 Groups Sign Letter Telling Democratic Leadership "No" to Fast Track

Release: http://www.citizenstrade.org/pdf/ctc_ftsign-onletterrelease_03292007.pdf

Letter: http://www.citizenstrade.org/pdf/fasttracksign-onletter_03292007.pdf

Interfaith Working Group Letter Opposing Fast Track Renewal

http://www.citizenstrade.org/pdf/iwg_Fast Trackletter_03272007.pdf

More information available at: <http://www.citizenstrade.org/Fast Track.php>

Colombia, Peru, Panama and South Korea trade agreements face unclear future

With the agreement reached by Congressional Democrats and the White House that stronger labor and environmental standards would be integrated into the free trade agreements with Colombia, Peru, Panama and South Korea, some analysis predicted that they would be ratified before the August 2007 recess. The future of the four trade deals is now uncertain.

From the standpoint of the Bush Administration, the Peru and Panama deals have the most promising future. Congressional Democrats have said that their votes are conditional on these two nations' implementation of stipulated environmental and labor legislation. That said, the Bush Administration can introduce the measures to Congress at its discretion, and under Fast Track rules, they must go to a floor vote within a particular time frame. It is unclear if Congressional Democrats would uphold their conditions if forced to vote on the trade deals before Peru and Panama implement the required labor and environmental legislation.

Democratic opposition to the Colombia and South Korean Trade Agreements is much stronger. In the case of the former nation, this is largely because of the alarming record of trade unionist assassinations in Colombia. According to Amnesty International, 2,245 trade unionists were killed in Colombia between January 1991 and December 2006. Senate and House Democrats say they oppose the agreement with South Korea because its tariff provisions are unfair to U.S. car manufacturers.

., In response to the varied reception of the different trade deals, the Bush Administration would like to introduce all four agreements to Congress in the order that they were signed: Peru, Colombia, Panama, and then Korea. This would presumably help to ensure that all four pass. Even if the White House follows this formula, the details of its implementation could vary widely. The Bush Administration may choose to introduce all the bills, in the order that they were signed, before noon on September 4. Alternatively, they may introduce Peru, wait for it to be ratified, and then introduce Colombia, and so on. Some have speculated that the Administration may not introduce the Colombia and South Korea deals at all.

Civil society representatives have cautiously applauded the improvements made to the labor and environment chapters of the free trade agreements, while arguing that further changes are needed. In a statement released this month regarding the Peru and Panama deals in particular, the Citizens Trade Campaign notes that many of the errors in the NAFTA/CAFTA model have not been addressed, and calls for continued opposition to the agreements.

Sources:

Trade Harmony between Congress, Bush Suffers a Setback Due to a New Demand, Wall Street Journal, July 23, 2007

http://www.citizenstrade.org/pdf/wsj_tradeharmonybetweencongress_07232007.pdf

South Korea, US Sign Free Trade Agreement, Associated Press, June 30, 2007

http://www.citizenstrade.org/pdf/ap_usandsouthkoreasigntradedeal_06202007.pdf

Bush Administration Rules Out Changes to South Korea Trade Pact

Bloomberg, July 24, 2007

http://www.citizenstrade.org/pdf/bloomberg_nochangestokoreadeal_07242007.pdf

Oppose the Peru and Panama Free Trade Agreements

Citizens Trade Campaign, August 3, 2007

http://www.citizenstrade.org/pdf/ctc_perupanamarevised_08032007.pdf

New Report Reveals How Pending Trade Agreements Will Worsen Imported Food Safety Problem by Increasing Food Imports While Replicating Limits on U.S. Food Safety Policy From Past Trade Deals

Public Citizen, July 25, 2007

<http://www.citizen.org/pressroom/release.cfm?ID=2481>

Congressional Testimony on Violence against Trade Unionists and Human Rights in Colombia

Testimony of Maria McFarland Sánchez-Moreno, June 28, 2007

<http://hrw.org/english/docs/2007/07/23/colomb16458.htm>

Assassins Still Targeting Colombian Unionists, Miami Herald, July 13, 2007

http://www.citizenstrade.org/pdf/miamiherald_assassins_07132007.pdf

Colombia: Killings, arbitrary detentions, and death threats -- the reality of trade unionism in Colombia

Amnesty International, March 7, 2007

<http://www.amnestyusa.org/document.php?lang=e&id=ENGAMR230012007>

Proposal to Expand Trade Adjustment Assistance

In response to the increasing number of US jobs being outsourced to other countries under the current international trade regime, Montana Democrat Max Baucus and Maine Republican Olympia Snowe (both of the Senate Finance Committee) introduced a bill to expand the Trade Adjustment Assistance Program (TAA). Set to expire on September 30, TAA has been enacted in various forms since 1962.

Baucus and Snowe are proposing that the plan's coverage be expanded to include service sector workers as well as those in the manufacturing sector. It is anticipated that the Bush administration will reject the expansion due to its cost. If passed, the new TAA will likely cost \$2 billion per year, twice the current annual expenditure.

In addition to expanding the number of people who qualify, the new plan offers greater more benefits. Successful applicants would be able to count on healthcare coverage, and collect income and retraining benefits. In order to do this, workers must demonstrate that they lost their job due to outsourcing or competition from imports.

While TAA generally enjoys strong bipartisan support, some analysts have noted that the intense debate this session over other aspects of US trade policy may impede its approval in Congress.

Sources:

Trade Harmony between Congress, Bush Suffers a Setback Due to a New Demand, Wall Street Journal, July 23, 2007

http://www.citizenstrade.org/pdf/wsj_tradeharmonybetweencongress_07232007.pdf

Aid May Grow for Laid-Off Workers, Washington Post, July 23, 2007

http://www.citizenstrade.org/pdf/wp_aidforlaidoffworkers_07232007.pdf

Costa Rica to hold CAFTA Referendum

A referendum on the Central American Free Trade Agreement is to be held in Costa Rica on October 7, 2007. That nation's Supreme Electoral Tribunal (TSE) ruled on July 12 that 40 percent of the electorate must attend in order for the referendum to be valid. Costa Rica, the most economically prosperous of the five Central American nations slated to join CAFTA, has still not ratified the trade agreement.

Political opposition leader Ottón Solís says there are minimal incentives for Costa Rica to join CAFTA, given that its economy is doing well without it. He calls for the treaty to be renegotiated, claiming that he would rather there be no CAFTA between the US and Costa Rica rather than the CAFTA that is currently being implemented in the rest of Central America.

In response to CAFTA supporters Solís asks, "If NAFTA has been such a success, then why is the U.S. building a wall along the border with Mexico?"

Sources:

Costa Rica CAFTA Referendum Conditional, Prensa Latina, July 12, 2007

http://www.citizenstrade.org/pdf/prensa_costaricareferendum_07172007.pdf

Costa Rica Opposition Leader Calls for Renegotiation of CAFTA, Bloomberg, July 25, 2007

http://www.citizenstrade.org/pdf/bloomberg_crleadercallsforcaftarenegotiation_07252007.pdf

More information on CAFTA available at: <http://www.citizenstrade.org/cafta.php>
