
Citizens Trade Digest, October 11, 2006

This Digest Contains:

1. **Peru Free Trade Agreement Vote Likely in Lame Duck**
2. **WTO Negotiations Remain at an Impasse as Final Deadline Passes**
3. **President Bush Signs Oman Free Trade Agreement**

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1) Peru Vote Likely During Week of November 13th

Keenly aware that the Peru Free Trade Agreement will be even more controversial than the Oman FTA, the Republican leadership in both chambers decided to delay floor votes until after the mid-term elections. Most election analysts expect democrats to pick up seats in both the House and the Senate, an outcome that would provide further incentive for Republican Leadership to hold the vote in the lame duck session, which is scheduled to begin on November 13th. [Please contact your Representative and Senators](#) and let them know that you oppose this NAFTA/CAFTA expansion on the merits, and that you further reject the undemocratic timing of the vote.

Negotiation of the agreement with Peru was completed in December 2005 and the agreement was signed in April 2006. Despite former President Alejandro Toledo's stated willingness to include enforceable labor standards within the text of the agreement, the United States Trade Representative elected not to include such protections. Although Peru's new president, Alan Garcia, suggested during his election campaign that he might re-negotiate the agreement, once elected he became a supporter. The Peruvian Congress voted to implement the FTA legislation on June 27th. Garcia appointed noted ultra-conservative economist, Hernando de Soto to lobby for the FTA in Washington.

The House Committee on Ways and Means held its mock mark-up July 20th, passing the Peru FTA over the opposition of every democrat except John Tanner (D-TN), 23-13. In party-line votes, the Committee rejected three amendments that addressed democrats' concerns over labor, environmental, and port security issues.

The Senate Finance Committee held its mock mark-up hearing July 27th, 2006. The Committee rejected a Charles Schumer (D-NY) amendment that would have accepted Toledo's offer to USTR and included International Labor Organization standards in the text of the agreement. It also would have subjected labor standards to the same dispute settlement mechanism that applies to other parts of the agreement. Senate Finance approved the deal 12-7.

With the lame duck session set to begin November 13, it is highly likely that the Peru FTA will be considered on the House floor during that week. Therefore, we must [act now](#) to defeat this unfair trade agreement.

Key Reasons to Oppose the Peru Free Trade Agreement

<http://www.citizenstrade.org/pdf/reasonstoopposeperufta.pdf>

What You Need to Know About the Peru FTA

http://www.citizen.org/documents/PeruFactSheet_FINAL.pdf

Peru FTA Compromises U.S. Port Sovereignty

http://www.citizenstrade.org/pdf/gtw_peruftaportsmemo_09272006.pdf

Environmental Coalition Opposes the Peru-U.S. FTA

http://www.sierraclub.org/trade/agreements/peru/perufta_sign-on.pdf

2) WTO Remains at an Impasse as Final Deadline Passes

The deadline for sealing an agreement on “modalities”—a set of formulas and calculations for cutting tariffs and subsidies—on agriculture and non-agricultural market access (NAMA) was set at the end of July in order to conclude the round by the end of 2006. The deadline has, of course, passed, although renewed efforts to salvage the Doha Round are set for November. However, the most recent G6 agricultural meeting in Geneva was such a failure that Indian trade minister, Kamal Nath, walked out of negotiations. Nath was frustrated at the refusal of the EU to make further cuts in its farm tariffs and at the U.S. for its failure to make concessions on agricultural subsidies. For their part, the EU and U.S. wanted the developing countries to lower tariffs on their industrial and service sectors. However, as Public Citizen’s Global Trade Watch notes in the paper below, disagreement on modalities was only the proximate cause of the Doha collapse. The underlying cause was a growing sense worldwide that the WTO model of corporate globalization has failed.

Global Trade Watch: Why the Doha Talks Collapsed—A Path Forward

http://www.citizenstrade.org/pdf/gtw_dohacollapse_07262006.pdf

Oxfam: A Recipe for Disaster

http://www.oxfam.org/en/news/pressreleases2006/pr060427_wto

National Family Farm Coalition Welcomes Doha Suspension

http://www.citizenstrade.org/pdf/nffc_dohacollapse_07262006.pdf

3) President Bush Signs Oman Free Trade Agreement into Law

On September 26, 2006, President Bush officially signed into law the Oman Free Trade Agreement (OFTA). Before reaching the President’s desk, the Oman FTA faced broad opposition in Congress, especially in the House of Representatives, where it narrowly passed, 221 to 205. Twenty-eight House Republicans opposed OFTA while twenty-two House democrats supported it. The narrow vote on Oman prompted House Majority Leader Bill Boehner to delay the Peru FTA vote until after the November elections. Given that, at the beginning of the year, the Administration and its allies in Congress expected to pass the Oman FTA, PNTR for Vietnam, and the Peru FTA before the August recess, the closeness of the Oman vote is a clear signal of our progress. Thanks to the 416 national, state, and local organizations that signed on to the letter opposing OFTA. Only with that continued level of solidarity will we thwart the corporate trade agenda.

416 Organizations Tell Congress NO to OFTA!

http://www.citizenstrade.org/pdf/Oman_Sign-On_Letter_6-27-06.pdf