

OREGON FAIR TRADE CAMPAIGN

OR-FTC

Help Stop the Bush Administration's Panama Free Trade Agreement

The U.S. Trade Representative and corporate lobbyists are trying to pass the Panama Free Trade Agreement—a hangover trade deal negotiated by the Bush administration that repeats many of the same problems as NAFTA and CAFTA. The Panama FTA represents business-as-usual on trade, rather than the change that was promised to voters by President Obama and others.

Good Reasons to Oppose the Panama FTA

Panama's Tax Haven Status: Panama's economy thrives on banking secrecy, and its "comparative advantage" rests on the ease with which U.S. companies can create subsidiaries there to evade U.S. taxes. A Government Accountability Office study identified Panama as one of eight countries—and the only current or prospective FTA partner—that was listed on all of the major tax-haven watchdog lists. Panama has long been a key target of the OECD and other tax transparency entities for its resistance to international norms in combating tax evasion and money laundering. Given the role that banking secrecy played in the global financial meltdown, a trade agreement with Panama should be conditioned on much greater regulation and transparency within its financial sector.

Overturing Democratic Policymaking: The investment chapters in the Panama FTA allow foreign corporations to challenge food safety regulations, responsible land use decisions, environmental protection initiatives and other public interest policies as "barriers to trade" through trade tribunals that circumvent the U.S. judicial system. Under NAFTA alone, more than 40 complaints, seeking \$28 billion in damages, have already been filed against existing public policies. The Panama FTA's procurement provisions further undermine U.S. "Buy American" and "Buy Local" purchasing preferences, and threaten procurement policies with environmental and social goals. The special rights given to foreign investors also create an incentive for additional offshoring.

Inadequate Labor and Environmental Standards: The Panama FTA includes the modestly-improved labor and environmental standards of the Peru FTA, rather than the virtually non-existent standards of NAFTA

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and CAFTA. Nonetheless, the experience of the Peru FTA demonstrates that these standards are still far from adequate to protect working people or the environment. The Peru FTA was implemented in early 2009 without Peru improving its labor law to meet International Labor Organization standards as supposedly required, and after Peru rolled back environmental protections that existed prior to the FTA's signing. Stronger labor and environmental standards must be added to the Panama FTA's core text in order to avoid these clear failures.

Blocked Access to Medicines: Bush's Panama FTA includes NAFTA-style provisions that undermine Panama's right to obtain affordable medicines for its citizens, as allowed under the WTO's Doha Declaration.

Increased Poverty Abroad: Like NAFTA and CAFTA before it, the Panama FTA is expected to increase rural poverty by forcing small Panamanian farmers out of business in competition with subsidized food imports from U.S. transnationals. The FTA is expected to greatly increase hunger, drug cultivation and undocumented migration.

TAKE ACTION: The Panama FTA could be considered by Congress as early as this month! It's not too late to stop this Bush hangover trade deal—but only if we can get our elected officials to take a stand. **Please contact your Members of Congress today and urge them to publicly oppose the Panama Free Trade Agreement.**

Rep. Wu (OR-1st): 503-326-2901
Rep. Walden (OR-2nd): 541-776-4646
Rep. Blumenauer (OR-3rd): 503-231-2300
Rep. DeFazio (OR-4th): 541-465-6732
Rep. Schrader (OR-5th): 503- 588-9100
Sen. Wyden (OR): 503-326-7525
Sen. Merkley (OR): 503-326-3386

Rep. Inslee (WA-1st): 206-361-0233
Rep. Larsen (WA-2nd): 425-252-3188
Rep. Baird (WA-3rd): 360-695-6292
Rep. Hastings (WA-4th): 509-543-9396
Rep. McMorris Rodgers (WA-5th): 509-353-2374
Rep. Dicks (WA-6th): 253-593-6536
Rep. McDermott (WA-7th): 206-553-7170
Rep. Reichert (WA-8th): 206-275-3438
Rep. Smith (WA-9th): 253-896-3775
Sen. Murray (WA): 206-553-5545
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