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Populist, Progressive, & House Trade Working Group Members Join to Express Concerns with Panama FTA

Group sends letter to Speaker asking for renegotiation of Panama agreement

Washington, DC - Today a group of 55 representatives made up of members from the Populist and Progressive caucuses, the House Trade Working Group, and others sent a letter to House Speaker Nancy Pelosi (D-CA) arguing that the proposed Panama Free Trade Agreement be renegotiated.

The letter was led by Populist Caucus Chairman Bruce Braley (D-Iowa), House Trade Working Group Chairman Michael Michaud (D-ME), Progressive Caucus co-chairs Lynn Woolsey (D-CA) and Raul Grijalva (D-AZ), Populist Caucus Vice-Chairs Betty Sutton (D-OH) and Peter DeFazio (D-OR), and Progressive Caucus members Phil Hare (D-IL) and Marcy Kaptur (D-OH). House Rules Committee Chair Louise Slaughter (D-NY) and Judiciary Committee Chair John Conyers are also co-signers. A full list of co-signers is listed below.

"Too many recent free trade agreements have been great for companies and bad for American workers," said **Rules Committee Chairwoman Louise Slaughter**. "This recycled Panama FTA was written by the Bush Administration and it's my hope that the new administration would not take the easy route but would sit down and renegotiate the whole package in good faith, with an eye toward creating a deal that respects the environment, labor rights and domestic workers. The Rules Committee is not going to be a rubber stamp for bad deals."

"The Panama agreement reflects the trade model pursued by the Bush administration, not the change President Obama campaigned on," **Populist Caucus Chair Bruce Braley** said. "In these tough economic times, we need to reopen this trade agreement to ensure it will help create American jobs, protect workers rights, and uphold environmental standards. With the Panama Free Trade Agreement, we have the opportunity to chart a new course for trade or simply endorse more-of-the-same."

"At a time of severe economic downturn and when the government is asking the U.S. taxpayer to foot the bill for Wall Street's mess, the last thing we need to do is pass a free trade agreement that promotes offshoring, tax dodging, and special privileges for foreign investors,"

said **House Trade Working Group Chairman Michael Michaud**. "The Panama Free Trade Agreement takes us in the wrong direction at a time when our energies should be devoted to getting our economy moving forward again."

"We have an historic opportunity to work with the President Obama to develop a new model of trade not to simply take up an agreement negotiated under a failed model by President Bush," said **Populist Caucus Co-Chair Betty Sutton**.

"In the last year alone, the number of unemployed Americans has grown by 6 million," said **Populist and Progressive Caucus member Phil Hare**. "The President and Congress are working hard to get our economy back on track. We've passed a strong economic recovery package, foreclosure prevention legislation, and just yesterday, a credit cardholders' bill of rights. Why would we want to compromise this progress by passing a Bush-negotiated free trade agreement with Panama that could lead to the loss of even more jobs?"

"After thirty years of failed trade policy, the U.S. manufacturing base has been cut in half, the middle class is losing ground, and we're borrowing \$2 billion a day from the rest of the world -- including communist China -- to pay for things we used to make here in America. And, this Panama FTA is more of the same," **Populist Caucus Vice-Chair Peter DeFazio** said. "This agreement was negotiated by President Bush. It is my hope that the Obama Administration will not perpetuate the free trade fantasies of the past three decades and instead sit down and renegotiate this package. This is an opportunity for us to stand up for the middle class and finally pass an agreement that benefits America."

In the letter, the members argue that because the proposed Panama agreement was negotiated by the Bush administration before the current recession, it is out of step with the needs of economic recovery. The co-signers argue that the Panama Free Trade Agreement should be renegotiated to more closely reflect our

current economic needs, and should be used by the Obama administration as an opportunity to chart a new course for trade.

The full text of the letter follows with a list of signers at the bottom.

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May 21, 2009

Honorable Nancy Pelosi

Speaker, U.S. House of Representatives

H-232, US Capitol

Washington, DC 20515

Dear Speaker Pelosi,

As representatives of the Populist Caucus, House Trade Working Group, Progressive Caucus and other Members of the House Democratic Caucus, we believe this is a historic opportunity to push forward a new trade model that will benefit workers and businesses. We seek your support to work with the Administration to establish a new approach to trade.

We believe the Panama Free Trade Agreement (FTA) is not a new model on trade and does not represent the kind of change the American people are seeking. After eight years of a failed Bush free trade agenda, the current demise of our economy, and an ensuing massive increase in unemployment, it is difficult to justify to our constituents the passage of another badly flawed trade agreement. We fear passage of this agreement will set us back down the misguided course of past trade deals.

As you know all too well, the current recession has hammered the American family. Unemployment, now at 8.9%, is expected to rise even more. Since the recession began in December 2007, 5.1 million jobs have been lost. It is noteworthy that the Panama FTA negotiations were completed in 2006, a full year before the recession began. Given the rapid demise of our economy, we are concerned that the FTAs negotiated under the prior Administration and in a different economic outlook, are out of step with the needs of an economic recovery. This disconnect between the Panama FTA and the current needs to restore our economy will make any vote on this FTA difficult to justify. Indeed, it appears to be the opposite of the "change" theme Americans voted for in the last two elections.

We believe trade agreements must meet basic standards protecting labor rights, environmental standards, food safety regulations, financial regulations, and taxation transparency. We are disturbed by Panama's tax haven status and the use of this tax haven by U.S. financial institutions like AIG and Citibank. The U.S. is currently contemplating stricter financial regulations to protect our economy, but the Panama FTA will likely weaken any such effort. We believe the Panama FTA should be renegotiated in order to address these outstanding issues.

President Obama campaigned effectively on changing the trade model and his message resonated with the American people. We believe the Panama FTA falls far short of that commitment and it is not in the best interests of the American worker, our economy, or our country. We share your commitment to fighting for working families and believe you can be an effective advocate for our cause.

In light of the recession, we believe it is in the best interest of the United States for the President to work with Congress to chart a new course for trade. There should be a public discussion involving not just the United States Trade Representative but also Members of Congress about how to achieve a balanced trade agenda in difficult economic times. We ask for an open, honest dialogue and a new trade model and would welcome the opportunity to meet with you to discuss these issues further.

Sincerely,

Mike Arcuri

Tammy Baldwin

John Boccieri

Rick Boucher

Bruce Braley

Steve Cohen

John Conyers

Kathy Dahlkemper

Peter DeFazio

Rosa DeLauro

Mike Doyle

Donna Edwards

Keith Ellison

Bob Filner

Marcia Fudge

Gene Green

Raul Grijalva

Phil Hare

Alcee Hastings

Maurice Hinchey

Hank Johnson

Walter B. Jones

Steve Kagen

Marcy Kaptur

Dale Kildee

Mary Jo Kilroy

Dennis Kucinich

Barbara Lee

Dan Lipinski

David Loebsack

Stephen Lynch

Jim Marshall

Eric Massa

James McGovern

Mike Michaud

Grace Napolitano

John Olver

Frank Pallone

Tom Perriello

Chellie Pingree

Tim Ryan

Jan Schakowsky

Mark Schauer

Carol Shea-Porter

Brad Sherman

Heath Shuler

Louise Slaughter

Bart Stupak

Betty Sutton

Gene Taylor

Paul Tonko

Pete Visclosky

Maxine Waters

Charlie Wilson

Lynn Woolsey

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