



September 26, 2007

**Dear Senator:**

The environmental provisions included in the final text of the U.S.-Peru Free Trade Agreement mark a significant step forward, and we commend the Democratic leadership for this important achievement. However, we do not believe that the U.S.-Peru FTA should be seen as a final model for trade agreements generally, and we are therefore regrettably not able to support the agreement.

The significant improvements to the Environment chapter of the agreement include measures in the core text of the agreement aimed at stopping the flow of illegally logged timber from Peru, a major cause of deforestation in the country. This is the first bilateral trade agreement to recognize and seriously address this globally pervasive problem. The agreement also includes requirements for countries to fulfill their obligations under a specific set of Multilateral Environmental Agreements (MEAs), and it provides parity of enforcement between the environmental and commercial provisions of the FTA.

Despite this important progress, we continue to have serious concerns about the following issues that were not addressed in the agreement. The U.S.-Peru FTA contains provisions that allow foreign corporations to circumvent the domestic judicial system and challenge environmental and public health laws before unaccountable international tribunals. Similar investor rights rules in NAFTA and other agreements have been used to undermine common-sense laws designed to protect people and the environment. The investment provisions in the FTA also allow foreign investors to bring suits before tribunals challenging the government's implementation of natural resource contracts or leases, potentially threatening vulnerable resources and areas in both the United States and Peru.

Further, following more than a decade of implementing trade agreements— from NAFTA to the World Trade Organization to CAFTA to other bilateral trade agreements – we believe it is time to take a step back and reflect on the impacts these agreements have had on people and the environment worldwide. While a well-crafted trade policy has the potential to contribute to protecting our natural resources and improving our environment, the current model of trade has failed to fulfill those objectives.

While the U.S.-Peru FTA represents substantial progress, much work still remains to be done to put in place the broad set of trade policies that would truly achieve the goal of environmental sustainability. For the reasons laid out above we can not support the U.S. – Peru FTA, and ask each Senator to weigh the significant gains made in some areas with the serious shortcomings in others. As we face enormous challenges ranging from global warming to biodiversity loss, we look forward to working with you to make environmentally responsible trade a reality.

Sincerely,

A handwritten signature in blue ink that reads "Brent Blackwelder".

Brent Blackwelder,  
President, Friends of the Earth

A handwritten signature in black ink that reads "Carl Pope".

Carl Pope,  
Executive Director, Sierra Club