

# House Panel Endorses Peru Trade Deal

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WASHINGTON - An uncontested committee vote Tuesday on the U.S.-Peru free trade agreement set the stage for that accord becoming the first to be approved by Congress since the Democrats assumed power in January.

The voice vote by the House Ways and Means Committee came after the Senate Finance Committee last Friday endorsed the draft implementing language of the agreement by 18-3. Under procedures for trade bills, the administration will now formally submit the language to Congress, which is expected to approve it sometime this fall.

The bipartisan votes reflected the shift in sentiments among Democrats, traditionally wary of free trade deals, since Democratic leaders last May reached a deal with the Bush administration assuring that worker rights and environmental standards will be central parts of all future trade deals.

Along with Peru, Congress could act this year on a bilateral agreement with Panama. Other pending deals with Colombia and South Korea are more problematic because of concerns over Colombia's human rights record and South Korea's restrictions on U.S. auto imports.

The Ways and Means vote, said U.S. Trade Representative Susan Schwab, shows that the May agreement "created a path that is leading to positive results."

Committee Chairman Charles Rangel, D-N.Y., who negotiated the deal with the administration, said the Peru vote would give lawmakers from both parties "an opportunity to break the polarization" that has existed over trade issues.

The Peru deal still faces some opposition from Democrats, particularly freshman, from states with manufacturing sectors hit by foreign competition and some labor and environmental groups that question whether the new standards will be enforced.

"Dozens of unions and environmental, consumer, Latino civil rights, faith, development and family farm groups have called on Congress to oppose the deal, which is also opposed by Peru's two labor federations," Public Citizen said in a statement.

Bilateral trade with Peru is about \$8.8 billion a year. When the agreement goes into effect, 80 percent of U.S. exports of consumer and industrial products, and two-thirds of farm exports, would become duty-free immediately. The agreement also offers legal protections for U.S. investors in Peru, expands access to financial and telecommunication markets and tightens standards on protecting intellectual property rights.