

# **U.S. seeks to allay Andean concerns**

## **Controversy shrouds sixth round of talks**

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The U.S.-Andean Free Trade Agreement negotiations may be nearing an end, but the debates surrounding it are only just beginning.

The sixth of seven rounds of negotiations start today in Tucson as more than 500 business and government officials from the United States, Ecuador, Peru and Colombia gather for a weeklong series of meetings to hash out the details of the controversial agreement.

Opponents argue it would exacerbate the economic and social disparities of the three South American nations, while failing to include measures that would provide a lasting benefit to their people.

Supporters say the pact would finally introduce reciprocity where none previously existed - in the economic relations between a rich superpower and three relatively poor nations.

Those relationships have existed for decades but mostly as informal agreements, with no legal foundation to bind them, said Richard Mills, spokesman for the Office of the United States Trade Representative.

Once finalized, the U.S.-Andean Free Trade Agreement would change those relationships by creating a formal pact with legal requirements for each nation to follow.

"The main issue for the U.S. is that we want to see a very ambitious and meaningful agreement that opens up the markets for everything, including services, agricultural products and government procurement," Mills said.

But opponents are quick to fault such agreements.

"The whole free-trade agreement mentality is based on a race to the bottom. Who will work for the cheapest, and who will provide the cheapest labor?" said Richard Boren of the local No AFTA Alliance, which opposes the agreement.

The alliance has its own weeklong series of events to coincide with the negotiations, beginning with a protest today at the Tucson Convention Center.

Joining the protesters will be union representatives and others from Colombia, Ecuador and Peru, including Enrique Daza, head of RECALCA, a coalition of about 60 anti-free-trade groups in Colombia.

Interviewed through an interpreter, Daza suggested in Spanish that agreements of this type are designed to compensate the United States for failed efforts with stronger countries.

"The idea is really simple," he said. "These are free trade agreements that wouldn't be enforced in countries like France or China, where they have a stronger geopolitical influence, but can force smaller countries to step in line and conform."

On Monday, Ecuadorean President Lucio Gutierrez expressed support for the proposed agreement while acknowledging that many of his countrymen are skeptical of it.

"Obviously we must listen to the doubts of the most vulnerable sectors like the indigenous sector, the peasant sector," he said. "We are prepared to slow down, to lengthen the terms for the vulnerable sectors."

Hovering over the negotiations in Tucson is the broader role it could play in energizing the currently stagnant Free Trade Agreement of the Americas, or FTAA, an agreement that would encompass nearly all the Western Hemisphere.

"We think the negotiations with the Andeans will help with our other negotiations in the Free Trade Agreement of the Americas," Mills said.

Robert Pastor, a professor of international relations at American University in Washington, D.C., disagreed. The decision of either Brazil or Argentina to join the FTAA would be the determining factor in pushing it forward, he said.

A Tucson expert said trade may play a secondary role in U.S. motivations, considering that exports to the three Andean nations are relatively small.

"My sense is that there are two other reasons beyond the reduction of trade barriers for these agreements. The first is a very strong developmental aspect, and the second objective is . . . the demonstration effect" said David Gantz, associate director of the National Law Center for Inter-American Free Trade and a law professor at the University of Arizona.

The idea is that if Brazil doesn't want to play ball with the United States over the Free Trade Agreement of the Americas, the United States will create bilateral agreements with neighboring countries who will, Gantz said.

He cautions those who would oppose the measures, saying the alternative - nothing - could be worse.

"Trade is not big, particularly with these countries," he said. "We really have to look at it in terms of the developmental aspect. These agreements can bring about changes that will make their economies more effective and facilitate economic development."

He stressed the changes would take time and would likely not come fast enough for any of the parties involved, in spite of any progress that is made. It's a sentiment shared by Pastor at American University.

"The results, or the benefits, of free trade are not as widely understood as the costs," Pastor said. "Therefore, the popular support for the free-trade agreements are declining, making it harder to go ahead and complete them."

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## **Timeline**

A brief history of U.S.-Andean trade acts and agreements:

### **1991**

The Andean Trade Preference Act. Bolivia, Colombia, Ecuador and Peru received duty-free access to the United States for products not excluded by law, assuming they met certain requirements. One objective was to promote trade as an alternative to narcotics production and trafficking. It expired in December 2001.

### **2002**

The Andean Trade Promotion and Drug Eradication Act. It modified the Andean Trade Preference Act to include an additional 700 products previously prohibited by the United States, bringing the number of products with duty-free access to 5,600. Set to expire in 2006.

### **2005**

The Andean Free Trade Agreement. Still under negotiation, it would address the issues of intellectual property rights and the phase-out of agricultural tariffs. Unlike the previous acts, the agreement would open the Andean markets to U.S. exports, while allowing the Latin American countries continued access to the United States.

## **What others are saying**

### **El Comercio - Quito, Ecuador:**

"The dialogue between the United States and the Andean countries is entering its decisive phase. . . . This meeting appears to be one of the most complex, because there are hopes for advances on the most sensitive subjects. The one that holds most trouble and where the positions are extreme is intellectual property."

### **El Espectador - Bogota, Colombia:**

"The United States knows what it is and where it's going and therefore knows how far it can go with treaties. It knows exhaustively which sectors should be protected and in which there are opportunities. We, on the contrary, don't have a well-defined agenda and we negotiate without clarity about the model that corresponds to our idiosyncrasies."

### **La República - Lima, Peru:**

"The attendance of 20 members of congress at the sixth round of negotiations of the free-trade agreement between the Andean countries (Peru, Colombia and Ecuador) and the United States will cost \$48,771 . . . The ministry of foreign commerce covers the costs of the congress members so they can observe in situ how the negotiations develop and so later they are not 'speaking about what they believe,' explained minister Alfredo Ferrero Diez Canseco.

**To learn more**

For more information, visit:

- The Office of the United States Trade Representative, [www.ustr.gov](http://www.ustr.gov)
- The No Andean Free Trade Agreement alliance, [www.noafta.org](http://www.noafta.org)

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