

# Peru Free-Trade Agreement Set to Move in House After Delays

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The long-delayed free-trade agreement between the U.S. and Peru is heading for approval in Congress next month, lawmakers said.

The House Ways and Means Committee set a vote Sept. 25 on the measure with a vote by the full House to come in October, said Representative Jim McCrery, the top Republican on the panel.

McCrery and Democrats who met with Peruvian President Alan Garcia today said they expect the agreement to garner broad support in the Democratic-controlled Congress.

“All of us believe we will pass the Peru free trade agreement at some time in October,” McCrery said.

Ways and Means Committee Chairman Charles Rangel, said last month after he traveled to Peru that the agreement is a “top priority.”

McCrery and other lawmakers were in Peru today on a three-day trip with Commerce Secretary Carlos Gutierrez to Panama, Peru and Colombia, all countries with pending free-trade agreements with the U.S. Gutierrez is trying to persuade some Democrats who are skeptical of the agreements to back them.

In Peru's case, that won't be difficult, lawmakers said.

“There's no way this could be a Cafta-type vote,” said New York Democratic Representative Gregory Meeks, referring to the 2005 vote for the Central American Free Trade Agreement that passed by just two votes with only 15 Democrats supporting it. “Democrats want to show that they're not anti-trade.”

Senate Finance Committee Chairman Max Baucus, a Montana Democrat, earlier predicted approval in the Senate. “I expect it to pass without much difficulty,” he said Sept. 11.

## Agreed in 2005

The U.S. and Peru reached their agreement at the end of 2005, signed it in April 2006, and the Peruvian Congress ratified it a year ago. With changes pushed by Democrats this

year before a vote in Congress, Peru was forced to accept tougher environmental and labor rights rules, and its legislators in June approved the agreement a second time.

In recent weeks, Peru's labor ministry issued a decree limiting the use of non-union contract workers in mines and other unionized industries. That decree and other changes to Peru's labor regulations address more than 60 percent of the initial concerns by unions, said Douglas Figueroa Silva, president of the Confederation of Workers of Peru.

“The government can get a lot of changes done in the law by decrees,” Figueroa said. Legal changes are less likely because Garcia's party doesn't have a majority in Congress.

Not all unions agree. Luis Isarra, a leader of the General Federation of Workers in Peru, the country's largest union, said in an interview that the agreement isn't enough because his government “doesn't have the will” to push for new labor laws.

In the U.S. there is a similar divide among labor groups. The AFL-CIO, the country's largest labor federation, testified this week that it won't support the Peru free-trade agreement, but won't work to defeat it, either.

Unions that aren't members of the AFL-CIO, led by the Teamsters, are gearing up to fight the Peru agreement, said Yvette Pena Lopes, the group's top trade lobbyist.