

Citizens Trade Campaign

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U.S.-Chile Trade Agreement No Model for Future Agreements

Backtracks on progress made in trade policy, sets wrong precedent for CAFTA and FTAA

Washington – The U.S.- Chile Free Trade Agreement being signed tomorrow is an extension of the failed North American Free Trade Agreement (NAFTA) model and backtracks on much of the limited progress in trade policy since NAFTA. In doing so it does not bode well for regional agreements now under negotiation including the Central American Free Trade Agreement (CAFTA) and the Free Trade Area of the Americas (FTAA), said members of the Citizens Trade Campaign.

“The U.S. Chile FTA contains provisions in many major policy areas including non-enforceable labor and environmental provisions, expansive rights for foreign investors, limits on sustainable development tools, and restricted access to medicines which are significantly worse than previously established minimum standards,” said Gretchen Gordon, Director of the Citizens Trade Campaign. **“Rather than moving forward, many of these provisions fail to even meet the meager negotiating objectives established in last year’s grant of Fast Track.”**

A substantial concern for many members of civil society is the absence of parity of enforcement for labor and environmental provisions, as compared to commercial provisions, within the Chile FTA. Equivalent enforcement of labor and environmental provisions, including adherence to the International Labor Organization core labor standards, was a significant minimum bar established in the US-Jordan Free Trade Agreement which Congress passed last year.

“The U.S.-Chile Free Trade Agreement is just another NAFTA-like trade deal that will once again prove to be an absolute disaster for working families here in the U.S. and abroad,” said Teamsters General President James Hoffa. **“The Teamsters Union has fought hard to ensure that basic worker protections like the ILO standards are enforced through trade deals, and this agreement falls far short of that mark.”**

Another area of major concern is investment rules within the Chile Agreement which allow foreign corporations rights to sue for damages in trade tribunals over domestic health and safety laws. **“As in NAFTA, multinational investors get greater rights than U.S. citizens receive, and these companies are once again allowed to bring suits challenging environmental laws,”** said Brent Blackwelder, President of Friends of the Earth. **“This agreement is the wrong model for our trade policy, unless you want to tear down our hard-won environmental protections.”**

Contrary to statements from the Bush Administration and Chilean officials, this agreement is also opposed by Chilean civil society groups. **“Sadly for the Chilean government, this agreement was only applauded by the business sector, making it quite clear who they are negotiating for in these agreements and who agreed to the negotiations in the first place,”** said Sara Larrain, Director of the Chilean national environmental organization, Chile Sustentable.

In an attempt to make up for major trade policy splits both internationally and within Congress evidenced by the extremely narrow passage of Trade Promotion Authority last year, corporate

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lobbyists and the Bush Administration have suggested that the passage of smalltime deals like the Chile and Singapore FTAs would mark a consensus on trade. **"The administration wishes this Chile agreement served as a template for future pacts, but if the Central American Free Trade Agreement or the Free Trade Area of the Americas looks like this they will be dead on arrival in Congress,"** said Lori Wallach, Director of Public Citizen's Global Trade Watch. **"Besides, a CAFTA or FTAA like this Chile agreement would result in massive opposition in the streets from Buenos Aires to San Salvador."**

"The signing of the Chile agreement in Miami is telling, as Miami will be the site of the Free Trade Area of the Americas Ministerial this November," said Eric Rubin, Coordinator of the Florida Fair Trade Coalition, an affiliate of the Citizens Trade Campaign. **"We only need to look at the contents of the Chile Agreement to see some of the harmful provisions that trade ministers have in mind for the FTAA, and that's why civil society is gearing up for a major fight over the FTAA."**

Members of Citizens Trade Campaign include National Family Farm Coalition; United Methodist Church General Board of Church and Society; Public Citizen; International Brotherhood of Teamsters; Union of Needletrades, Industrial, and Textile Employees; Friends of the Earth; the United Steelworkers of America; Communications Workers of America; Western Organization of Resource Councils; American Lands Alliance; Institute for Agriculture and Trade Policy; Alliance for Sustainable Jobs and the Environment; and Defenders of Wildlife, as well as regional, state, and city-based coalitions, organizations, and individual activists throughout the United States.

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