

**As Peru NAFTA Expansion Vote Looms, Opposition Grows
Not One Union, Consumer, Latino Civil Rights, Environmental, Family Farm
or Faith Group Supports
'Modified' Peru Free Trade Agreement**

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WASHINGTON -- A growing number of constituency groups key to the Democratic base are calling on Congress to oppose a proposed free trade agreement (FTA) that would extend the NAFTA-CAFTA model to Peru, Public Citizen said today, as the Senate Finance Committee held a hearing on the pact.

“The majority of Americans oppose more NAFTA-style trade deals based on their experience, so it’s not surprising that unions and consumer, environmental, faith and Latino groups oppose a Peru NAFTA expansion,” said Lori Wallach, director of Public Citizen’s Global Trade Watch division. “What’s surprising is that a Democratic-majority Congress would consider more Bush NAFTA-style pacts, especially since the Democrats’ majority was delivered by candidates who explicitly ran against incumbents’ votes on past NAFTA-style deals.”

When some Democratic trade leaders announced in January 2007 that they would engage the Bush administration to obtain changes to free trade agreements with Peru, Panama, Colombia and South Korea that the Bush administration had negotiated, unions and civil society groups listed minimal changes necessary to avoid their opposition. Among the critical items that needed to be removed or altered:

- Foreign investor privileges identical to those found in NAFTA and CAFTA that create incentives for U.S. firms to move offshore and expose basic environmental, health, zoning and other laws to attack in foreign tribunals;
- Bans on “Buy America” and anti-offshoring policies, and threats to renewable energy, recycled content and prevailing wage procurement laws;
- Limits on food import safety standards and inspection rates;
- Agriculture rules identical to those found in NAFTA and CAFTA that are projected to increase coca production and create rural unrest in trade partners. Under NAFTA, these rules led to displacement of 1.3 million Mexican peasant farmers and a 60 percent increase in immigration from Mexico to the U.S.;
- Patent right extensions that would provide large pharmaceutical companies new protections that would crush rights provided by the World Trade Organization for poor nations. These rights enable the nations to provide affordable medicines; and
- Peru FTA terms that could subject that country to compensation claims for reversing its Social Security privatization.

The groups also listed as necessary the addition of enforceable labor and environmental standards and a ban on trade in mahogany. On May 10, some Democratic leadership members and the White House agreed to add improved environmental and labor standards to the FTAs, but they failed to address many FTA terms that directly contradict Democrats' domestic agenda on food safety, job-offshoring, environmental protection and more. The FTA provisions on timber trade failed to require changes to current Bush administration policy.

“Adding improved labor and environmental standards to the Bush-negotiated NAFTA expansion agreements is like putting a new roof on a condemned building, so of course there is widespread opposition,” said Wallach.

U.S. organizations opposing the “modified” agreements include AFL-CIO affiliated unions, the Change to Win labor federation and its affiliates, the League of United Latin American Citizens (LULAC), other Latino civil and immigrant rights groups, and Oxfam. Without a single environmental group supporting the deals, today's Senate Finance Committee hearing will not have any environmental witnesses. The animal welfare group, Humane Society of the United States, whose 2005 support for CAFTA after obtaining funding from United States Agency for International Development for projects in Central America was the focus of a [Washington Post](#) exposé, will testify.

Peru's labor federations and many other Peruvian civil society organizations also have called on the U.S. Congress to oppose the expansion of NAFTA to Peru.

“As more Americans are thrown out of work and home and a recession seems imminent, the last thing Congress should be considering are more wage-depressing, job-killing NAFTA expansions,” said Todd Tucker, research director for Public Citizen's Global Trade Watch division. “I can't imagine any members of Congress wanting to face out-of-work, foreclosed, underinsured voters next year with these harmful free trade agreements as the one piece of trade legislation passed by both chambers and signed into law.”