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Merkley: Peru Deal Is Not Good Enough

PORTLAND—Oregon House Speaker Jeff Merkley, Democratic candidate for U.S. Senate, today expressed his opposition to the Peru Trade Agreement pending in Congress and denounced Gordon Smith's committee vote in favor of the pact. Merkley said the Peru agreement relies too much on the model set by NAFTA, which has cost Oregon more than 13,000 jobs since it passed in 1993. According to the Oregon Fair Trade Coalition, Oregon has lost another 55,000 jobs due to offshoring as a result of lax trade and corporate tax policy.

“Democrats in Congress have done a commendable job of forcing the Bush administration to renegotiate this deal,” Merkley said. “But unfortunately, the concessions they got are not enough to offset the negative impact this deal will have on American jobs.”

The Peru Free Trade Agreement is the first trade deal negotiated by the Bush administration that Congress has considered this year. Although the labor, environmental and intellectual property provisions of the deal represent an improvement over earlier deals approved by the previous Republican Congress, they don't go far enough. Instead of concrete, enforceable standards, the agreement contains only general principles without meaningful oversight or enforcement.

“The Peru trade deal still sticks too closely to NAFTA. With the loss of thousands of Oregon jobs since NAFTA passed, we have to move away from using it as a model,” Merkley said. “Future trade negotiations would be wise to ditch NAFTA as a starting point. Right now, the Peru agreement just isn't good enough for American working families.”

The Peru Trade Agreement contains several fatal flaws that would cost Oregon jobs, lock farmers and ranchers into a competitive disadvantage, and replace domestic products with imports at a time when our trade deficit is crippling our economy. Additional problems with the deal include:

- Extending NAFTA's provisions that give foreign investors more rights than Americans to sue the federal and state governments
- Enabling foreign investors to challenge American public health, environmental, zoning and labor protections in foreign courts
- Blocking government procurement rules that require the hiring of U.S. workers and 'Buy American' provisions
- Setting limits on food safety standards that require the U.S. to rely on foreign regulators and inspectors
- Peru has also failed to codify the labor protections of the agreement into law. Merkley said the U.S. should not move forward on an agreement until they raise their standards.

"Fair trade with Peru will ultimately benefit both of our economies, but this agreement doesn't get us there," he said. "We can't tie American workers' hands behind their backs. This NAFTA-based plan just doesn't cut it."