

## **No plans to change CAFTA labor provisions -US aide**

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WASHINGTON (Reuters) - The Bush administration has no plans to change labor provisions of a new free trade pact with five Central American countries to encourage more Democrats to vote for it, a U.S. official said on Friday.

"We believe that the approach that we've adopted in CAFTA (U.S.-Central American Free Trade Agreement) is the approach that was agreed upon by Congress" in 2002, Regina Vargo, assistant U.S. trade representative for the Americas, told reporters after a speech to a business group.

Top Democrats have warned CAFTA is in trouble in Congress because of its labor provisions, which they say are too weak. They want the agreement renegotiated to require the five countries -- Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua -- to incorporate the International Labor Organization's "core labor standards" into their laws.

Those include the right to collective bargaining and freedom of association and the elimination of forced labor and discriminatory employment practices.

But in a speech to the Association of American Chambers of Commerce in Latin America, Vargo said the CAFTA labor provisions were consistent with Congress' instructions that countries only be required to enforce their own labor laws as a condition of becoming a U.S. free trade partner.

A recent ILO report found that enforcement, rather than the countries' labor laws themselves, was the biggest problem the region faced in the labor area, Vargo said. The United States has been engaged in "ongoing dialogue" with the CAFTA countries aimed at improving their enforcement, she added.

Bill Morley, a lobbyist for the U.S. Chamber of Commerce, acknowledged that CAFTA supporters were far short of the votes they needed to win approval in Congress.

However, it was still possible there could be a vote on the agreement before the end of the year, if congressional leaders decide to come back after the November elections to finish up legislative business, Morley said.

Vargo told reporters she still expected the U.S. government to sign the agreement this year, even though the White House has not yet set a date for that event.

A decision on when to submit the agreement to Congress is also up to the White House, she said.

Vargo denied rumors the United States and the Central American countries were making changes to CAFTA as part of a final legal scrutiny of the agreement this week.