

# UNITEHERE!

275 Seventh Avenue, New York, NY 10001 • TEL (212) 265-7000 • FAX (212) 265-3415 • WWW.UNITEHERE.ORG

October 1, 2007

Dear Representative,

On behalf of 450,000 members of UNITE HERE, I write to urge you to vote no on the Peru Free Trade Agreement.

The mismanaged trade policies of the United States have severely damaged our nation's competitiveness. Our trade policy has contributed to massive job loss in our manufacturing sector; stagnant, or in many cases, falling wages for workers and a staggering trade deficit which has led to unsustainable borrowing from the rest of the world. The benefits of this policy have been concentrated among those at the top of the income and wealth ladder, while the costs have been paid by workers.

Our union has been particularly hard hit. We have lost hundreds of thousands of members while the textile and apparel industries have lost over 1,000,000 jobs in the last thirteen years. Every part of the country, every state, has been affected.

This situation does not call for simply reforming the provisions in trade agreements. It calls for putting in place, *before* any more trade deals are concluded, policies to ensure that the benefits of expanding trade are broadly shared. That means there should be a strategic pause on *all* trade agreements until we have a credible program agreed to by Congress and the president (1) to reduce the current account deficit at least to the point at which it is not rising faster than our income (2) to improve American competitiveness and create American jobs (3) to protect American workers by creating a real safety net.<sup>1</sup>

The Peru Agreement does not represent the kind of comprehensive policy we need to ensure that the benefits of trade are broadly shared. Compared to past trade agreements, there are improvements in the Peru agreement. For example, the labor rights provisions of the Peru Agreement go further than any previous trade agreement (with the exception of the 1999 U.S.-Cambodia Textile Agreement – but with the end of the quota system that agreement has lost its effectiveness) in getting labor rights into the text of the agreement subject to the same dispute settlement mechanisms as commercial provisions.

However, as Human Rights Watch has pointed out, there are “ambiguities” in the labor rights language that “could prevent it from reaching its full potential.” The

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<sup>1</sup> This proposal is spelled out in more detail in Jeff Faux, [Globalization That Works For Working Americans](#), Economic Policy Institute's Agenda For Shared Prosperity, Briefing Paper. January 2007.

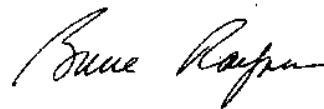
agreement states “the obligations of this agreement, as they relate to the ILO refer *only* to the 1998 ILO Declaration on Fundamental Principles and Rights at Work.” This formulation, according to Human Rights Watch, “could significantly reduce the positive labor rights impact” of the agreement –because the 1998 Declaration only requires governments to adhere to certain abstract principles, not to comply with the detailed Conventions of the ILO.<sup>2</sup> Moreover the USTR has complete discretion in bringing claims under the agreement.

It is also important to note that the labor movement in Peru – citing the agricultural provisions of the agreement that will cause huge displacement of the rural population, combined with the fact that those who support the agreement in Peru are the same people that resist labor reform in Peru -- is also opposed to the agreement.<sup>3</sup>

Other concerns with the agreement include procurement provisions that prohibit governments from requiring that domestic workers provide services or produce goods and unbalanced investment provisions which grant corporations rights to challenge legitimate actions of elected national governments.

But these specific provisions of the Peru trade agreement pale before the bigger issues. The agenda that I am calling for goes well beyond what can be accomplished in a trade agreement. But Congress must begin now. Vote no on the Peru Agreement, and insist that *before* further trade liberalization occurs, domestic and international policy be reformed to ensure that expanding trade benefits all and not just the wealthy few.

Sincerely,



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Bruce Raynor  
General President

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<sup>2</sup> According to Human Rights Watch: “This language could be construed as preventing a free trade accord dispute panel from interpreting an agreement’s labor rights obligations with reference to the relevant ILO conventions and jurisprudence, increasing the likelihood that their definition would be left to the whims of the different parties of the accords, rendering them largely meaningless...”. See Human Rights Watch, The 2007 US Trade Policy Template: Opportunities and Risks for Workers’ Rights, June 2007.

<sup>3</sup> See letter to Honorable Democratic Representatives, from Julio Cesar Bazan, Secretary-General, Central Unitaria de Trabajadores del Peru and Juan Jose Gorriti, Secretary of International Relations, Confederacion General de Trabajadores del Peru, August 20, 2007.