

Vote No on Peru Free Trade Agreement NAFTA Expansion

Leadership Council

Anna Burger
Chair
Change to Win
International
Secretary-Treasurer
Service Employees
International Union (SEIU)

September 17, 2007

Dear Representative:

Edgar Romney
Secretary-Treasurer
Change to Win
Executive Vice President
UNITE HERE

On behalf of the six million members of the Change to Win Unions, we are writing to express our opposition to the Peru Free Trade Agreement (FTA). We urge Members of Congress to vote No on the Peru FTA when the Congress considers it, perhaps as soon as early October.

Joseph Hansen
International President
United Food and
Commercial Workers
International Union (UFCW)

When Democratic trade leaders announced their intentions to engage the Bush Administration to seek changes to the four pending Bush Administration FTAs, some of our unions as well as other allied groups provided a list of minimal changes necessary for us not to oppose these agreements. Most of our concerns were not addressed in any way.

James P. Hoffa
General President
International Brotherhood
of Teamsters (IBT)

We did not present our notion of what would comprise a “good” trade agreement, but rather limited our demands to a short list of vital changes needed to ensure these agreements minimally would do no harm to working Americans. Thus, we listed as requiring elimination or modification several key aspects of the Peru FTA that literally replicated provisions of the North American Free Trade Agreement (NAFTA) and Central American Free Trade Agreement (CAFTA) that have most directly promoted job loss and downward pressure on wages – such as extreme foreign investor privileges and the ban on domestic anti-offshoring policy for outsourced government work. We also demanded that binding labor and environmental standards be added once the Bush-negotiated pact had been minimally “deNAFTAized.”

Geralyn Luttj
International Vice President
United Food and
Commercial Workers
International Union (UFCW)

Douglas J. McCarron
General President
United Brotherhood
of Carpenters
and Joiners
of America (UBC)

Terence M. O’Sullivan
General President
Laborers’ International Union
of North America (LIUNA)

Bruce Raynor
General President
UNITE HERE

Arturo S. Rodriguez
President
United Farm Workers
of America (UFW)

Andrew L. Stern
International President
Service Employees
International Union (SEIU)

The Change to Win Unions are pleased to see that improvements were made to the labor and environmental chapters of the FTA. For the first time the FTAs will contain binding obligations to adopt, maintain,

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and enforce the terms of the ILO Declaration on Fundamental Principles and Rights at Work.

However, it is important to note that the modification added was not an obligation to enforce the terms of the actual International Labor Organization (ILO) core *Conventions*, but rather the two-page Declaration which is a more general statement of ILO-sanctioned principles and practices. Given this, we are especially concerned that limiting language was added to the FTA's modified labor chapter that states: "The obligations ... as they relate to the ILO, refer only to the ILO Declaration." This new limiting language may limit the effectiveness of the FTA's labor chapter because it provides latitude for FTA dispute settlement panels to interpret and apply the terms of the ILO Declaration differently than the Declaration has been interpreted and applied by the ILO itself.

The ILO interprets the Declaration's core labor standards by referring to eight fundamental ILO conventions and the decades of jurisprudence that the ILO has developed in applying those conventions. However, certain business interests declared they would oppose the FTAs if they incorporated binding ILO Convention obligations. Thus, the limiting language was added. The explicit instruction that limits the obligation "only" to the Declaration could be interpreted to foreclose FTA panels from following the ILO's practice and instead lead FTA panels to define the core labor standards based on general principles that are vague and elastic. Thus, this new language could provide a new tool to those who wish to dilute the core labor standards by de-linking them from the ILO Conventions.

We are also concerned that while the labor chapter of the FTA was improved upon, unfortunately, other chapters of the Bush-negotiated