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Congress of the United States
House of Representatives

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON TRADE
SUBCOMMITTEE ON OVERSIGHT

DEMOCRATIC CAUCUS
REGIONAL WHIP

I wish that the CAFTA bill we are debating tonight were an agreement that opened markets, included basic labor standards, and protected our environment. This type of agreement would have lifted the economies of both the United States and Central America. It would have attracted support from a large number of Democratic Members who have long histories of supporting free and fair trade. . . .

– Congresswoman Pelosi (California)

My problem with the current CAFTA is that it seems to give hope to corporations but does not require even the most basic standards of fairness and decency for working people.

– Congressman Rangel (New York)

[CAFTA] misses an historic opportunity. It fails a key growing challenge to globalization to expand trade so that its benefits are widely shared. . . .CAFTA nations have immense poverty, among the worst income inequalities in the world, and a weak middle class. And to change that, to change that, workers must be able to lift themselves up the economic ladder. And to do so, they have to have their basic internationally recognized rights, including the right to bargain and to associate.

– Congressman Levin (Michigan)

Dear Democratic Colleague:

Two years ago, 187 House Democrats – all but 15 members of the Democratic caucus – joined our voices in opposition to the Dominican Republic–Central America free trade agreement ("DR-CAFTA"). The main issue uniting us in our opposition was the lack of protection for basic worker rights under that agreement. Nearly a decade earlier, the same concerns had driven many Democrats to vote against the North American Free Trade Agreement ("NAFTA").

With the Peru free trade agreement, Democrats finally have the opportunity to incorporate the worker rights protections for which we have fought these many years. As a result of the May 10 agreement negotiated by House Democrats, the labor chapter of the Peru FTA includes a **fully enforceable commitment** that countries adopt and enforce the five basic international labor standards:

(1) **freedom of association**;

(2) effective recognition of the **right to collective bargaining**;

(3) **elimination of all forms of forced or compulsory labor**; and

(4) effective **abolition of child labor** and a **prohibition on the worst forms of child labor**.

(5) **elimination of discrimination** in respect of employment and occupations.

The FTA also includes commitments to enforce a sixth set of rights – those pertaining to **acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.**

To ensure that the parties do not weaken their labor laws after the FTA comes into effect, all of the labor obligations are subject to a **binding non-derogation provision**. Moreover, all commitments under the labor chapter are subject to the **same dispute settlement mechanisms and penalties as all other FTA obligations**.

This is a far cry from the ineffectual "enforce your own laws" standards of NAFTA and CAFTA. And Peru has already been following through with its commitments under the labor chapter. In August 2007, Peruvian President Alan Garcia announced that he would change Peru's legal framework in a number of key areas to bring Peruvian labor laws into alignment with the obligations under the FTA. In the subsequent weeks, President Garcia has followed through on his commitment by implementing the announced changes to the legal framework governing: (1) temporary employment contracts; (2) subcontracting/outsourcing contracts; (3) the right of workers to strike; (4) recourse against anti-union discrimination; and (5) workers' right to organize. With the changes and the FTA, Peru has put into place a framework to ensure compliance with basic international labor standards.

I urge your support for the Peru FTA and the new direction in U.S. trade policy that it embodies.

Sincerely,

Bill Pascrell Jr.

Member of Congress