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By Signing Colombia Free Trade Agreement Without Addressing Democrats' Concerns, Bush Administration Signals It Would Rather Play Partisan Political Games Than Pass a Trade Agreement

Statement of Lori M. Wallach, Director of Public Citizen's Global Trade Watch

By signing today a Colombia Free Trade Agreement (FTA) based on NAFTA after ignoring congressional Democrats' longstanding demands for changes that would allow some Democrats to support the deal, the Bush administration made clear it is more interested in picking fights with Democrats than passing new trade agreements. The midterm elections ended the era of Congress approving NAFTA-style trade pacts. This signing was a snub to Democrats, but more importantly it revealed to U.S. trading partners that the administration's stubbornness and ideological rigidity take priority over its commitment to expanding trade.

Democratic Ways and Means and Finance committee members wrote to the administration this week warning that signing the Colombia FTA would only create unnecessary difficulties, given that aspects of the Colombia and Peru FTAs must be renegotiated to garner the Democratic support necessary for approval. Large blocs in Congress have repeatedly issued demands to add real labor and environmental standards to FTAs' core texts enforceable identically to commercial terms; remove 'data exclusivity' patent terms that drive up medicine prices; eliminate new foreign investor rights to establish U.S. landside port operations; tweak FTA government procurement rules to safeguard prevailing wage laws and green and anti-sweatshop policies; review mandatory service privatization and deregulation rules touching water, social security and other sensitive sectors; and review farm rules predicted to displace millions of peasant farmers.

The Colombia FTA has faced serious opposition in Colombia over the very same problems Democrats demanded be fixed, including the extreme drug patent rules and agricultural terms that the Colombian Ministry of Agriculture has said will lead to increased drug production, trafficking and illegal armed groups. The emerging scandal revealed in Saturday's *Washington Post* regarding extensive links between civilian massacres by terrorist paramilitary groups and Colombian President Uribe's ruling party should have provided another reason for President Bush to pause before signing such a controversial pact with Uribe.

The midterm elections guarantee that the NAFTA-style Peru and Colombia FTAs, whose fate was unclear pre-elections, certainly cannot be passed as written in the new Congress. Given the trade positions of the incoming Congress – with 29 anti-fair trade representatives replaced with fair traders, neither the CAFTA (2005 vote of 217-215) nor Oman FTA (2006 vote of 221-205) would have been approved if submitted to the new Congress. CAFTA (2005 vote of 55-45) also would fail in the new Senate where seven seats flipped to pro-fair trade.

To re-negotiate the necessary provisions of the Peru FTA – and now, thanks to today's signing – also the Colombia FTA text, the administration must give notice-of-intent-to-enter-into-negotiations on the two pacts no later than the end of December to comply with Fast Track deadlines. Had President Bush not signed the Colombia FTA, this notice would not be necessary. A second notice, of intent-to-sign the re-negotiated pacts must be given by April 1, 2007 to meet the Fast Track rules. Fast Track sunsets on June 30, 2007.

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