



For Immediate Release
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**Statement of Senator Max Baucus (D-Mont.)
Regarding the United States-Peru Trade Promotion Agreement**

Mr. President, I urge my Colleagues to vote in favor of the United States-Peru Trade Promotion Agreement.

Peru is no ordinary country. And the Peru agreement is no ordinary free trade agreement. Peru is a vibrant country. It is marked by the diversity of its dramatic and varied landscapes, abundant and rich wildlife, and strong people. Peru provides a home to more than 170 million acres of forest and 84 of the 103 existing ecosystems on the planet.

And it is the birthplace of the Inca civilization, the builders of the incomparable Machu Picchu complex in the Andean highlands. Their descendants live on today in Peru's thriving indigenous communities.

This remarkable diversity of landscape, wildlife, and people deserves to be protected. And the strong labor and environmental provisions of the Peru agreement ensure that it will be.

Since 1985, when the United States entered into a free trade agreement with Israel, we have entered into bilateral or regional free trade agreements with no fewer than 15 additional countries. And since then, Democrats have sought to make labor and environmental issues a greater priority in trade agreements.

We had limited success, until now.

The Peru agreement is, in fact, a groundbreaking achievement. Months of complex negotiations involving numerous parties and difficult compromises on all sides resulted in a landmark deal between Congress and the administration.

We agreed to include strong labor and environmental provisions in all of our pending trade agreements, beginning with the Peru agreement.

This is truly a remarkable accomplishment. And we should be proud of what we have achieved.

For the first time ever, the Peru agreement requires the parties to implement the five core International Labor Organization standards.

For the first time ever, the Peru agreement requires the parties to implement seven core environmental treaties.

And for the first time ever, the Peru agreement makes these labor and environmental provisions fully enforceable by subjecting them to the same dispute settlement mechanism that applies to all other obligations.

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Some may criticize the agreement as not going far enough. But these provisions are, in fact, exactly what many of us in Congress and in the labor and environmental movements have been seeking to include in trade agreements for decades.

They will benefit workers. They will encourage environmentally sustainable development. And they will ensure that the Peru agreement helps to export our fundamental values abroad at the same time that it helps to export our products and services abroad.

The agreement also strengthens our ties with a stalwart ally in an increasingly troubled part of the world. It is an agreement with a leading reformer in our hemisphere. It is an agreement with one of the fastest growing economies in Latin America.

And it is an agreement with solid commercial benefits for the United States. Ninety-eight percent of Peruvian exports to the United States already receive duty-free treatment under various U.S. preference programs. This agreement levels the playing field and allows our exports to enjoy the same benefits in Peru.

To cite just one example: More than two thirds of current U.S. farm exports to Peru — including delicious Montana beef and wheat — will receive immediate duty-free access to Peru under the agreement. And all remaining tariffs on Montana and other U.S. agricultural goods will be eliminated within 17 years.

For Peru, this agreement means better conditions for its workers, strengthened protections for its amazingly diverse environment, and greater integration into the world economy. And our neighbors to the south can hope that it represents a first step toward increased prosperity, transparency, and stability for the Latin American region as a whole.

This agreement demonstrates what Congress and the administration can achieve when we work together. I hope that we can build on the success of this agreement to heal the wounds of previous battles. And I hope that we can begin to recreate a consensus for trade liberalization going forward.

But the Peru agreement is only one step in this process. Enactment of a robust and modernized Trade Adjustment Assistance program should be our next focus, certainly before this Congress considers additional free trade agreements.

We cannot expect support for trade agreements unless we fulfill our responsibility to ensure that trade-displaced workers — whether in the manufacturing or services sector — are able to retrain and retool for the 21st century economy. I look forward to working with my Colleagues, and with the administration, on TAA reauthorization very soon.

Mr. President, for all of these reasons, I am pleased to support the United States-Peru Trade Promotion Agreement Implementation Act. I urge my Colleagues to support it as well.

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