

Congress of the United States
Washington, DC 20515

July 14, 2005

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

In advance of your meeting with President Antonio Saca of El Salvador, we are writing to you regarding the need to re-negotiate the Central American Free Trade Agreement (CAFTA) currently pending before the U.S. House of Representatives, as illustrated by recent concrete events in El Salvador.

As you know, each of us had hoped to support further sound economic integration with this important region, but this CAFTA fails to be structured to spread the benefits of expanded trade broadly both within the United States and the five Central American countries and the Dominican Republic. This is especially important as to the Central American region where, because of massive poverty, major income disparities, and weak middle classes, there is a particular need for the benefits of globalization to flow broadly to its citizens. A CAFTA that does not seek to address these issues is bad for individual workers in Central America, wrong for Central American nations desperately in need of a growing middle class, and unfair to both U.S. workers who should not compete with workers who are suppressed and to U.S. businesses in need of markets.

We wrote to you on May 11, 2005 about the realities on the ground in Central America where the basic legal framework is not in place to provide the basic internationally-recognized rights of workers and where enforcement of even these non-compliant laws is woefully inadequate. Reports by the State Department, the International Labor Organization (ILO), and just recently the United States Trade Representative (USTR), have confirmed numerous areas where the laws of the CAFTA countries are out of compliance with ILO standards.

Consequently, the standard adopted in CAFTA of “enforce your own laws” would serve only to lock in a status quo with harsh conditions, indeed allowing bad laws to become even worse.

Recent events in El Salvador are a vivid illustration of the basic problem with this standard. Last December when 41 workers at the Acajutla Port in El Salvador tried to form a union, the employer fired 34 of them. The law in El Salvador does not require re-instatement of workers fired illegally, only that they be paid severance – a contravention of basic ILO standards. Then a month later, the Ministry of Labor denied the union's registration petition since there were only 7 members left and Salvadorian law requires at least 35 members to form a union, a second inconsistency with ILO standards.

With the debate over CAFTA now looming in the U.S. House, we have learned that the Ministry of Labor in El Salvador is reversing its previous decision and has now decided to grant union recognition to the Acajutla Port workers. At the same time, the Ministry has not acted to bring about the re-instatement of the illegally fired workers.

The pressures of an impending CAFTA debate, resulting in last-minute maneuvers, serve only to reveal the basic flaws in the current legal structure that CAFTA allows to remain in place and are no substitute in a trade agreement for the inclusion of enforceable provisions requiring countries to adopt in their laws the internationally-recognized core labor standards.

CAFTA also represents a retreat from the mechanism for enforcement available to the United States under current trade law. Under the Generalized System of Preferences (GSP), the United States has more ability to enforce basic, internationally-recognized labor standards than under the structure of CAFTA.

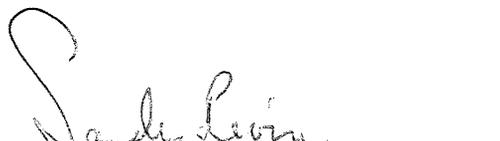
Moreover, CAFTA's provisions relating to workers' rights embody a double standard. We would never allow a country with a history of violating intellectual property rights to adhere to an "enforce your own law" standard. Nor would we allow last-minute maneuvers to signal a satisfactory legal framework on which to base trade and competition.

We continue to stand ready to work with your Administration to craft the type of CAFTA that will help to re-establish the broad bi-partisan coalition for international trade that the challenges of globalization demand and this nation deserves.

Sincerely,


Rep. Charles Rangel


Rep. Ben Cardin


Rep. Sander Levin


Rep. Xavier Becerra