



C A R N E G I E E N D O W M E N T  
*for International Peace*

May 6, 2003

Ambassador Robert Zoellick  
United States Trade Representative  
Winder Building, 600 17th Street, N.W.  
Washington, DC 20508

Communicated via e-mail: [cpadilla@ustr.gov](mailto:cpadilla@ustr.gov)

Dear Ambassador Zoellick:

I understand that during next week's Central American Free Trade Agreement (CAFTA) negotiations, the United States plans to table all or part of its proposal to address trade-related environment issues. I write to respectfully urge you to reconsider this decision for the reasons stated below.

First, based upon comments made by USTR staff and reports from various news sources, I am under the impression that the U.S. environment proposal for the CAFTA is to be consistent with the terms outlined in the U.S.-Singapore and U.S.-Chile free trade agreements. I have expressed publicly my support for the environment provisions in these latter two agreements, due in part to the fact that both Singapore and Chile enjoy reasonably developed environmental protection regimes, and provide effective avenues for public input into trade policy development and implementation. However, as you and others have so often emphasized, it is important not to consider earlier free trade agreements 'one size fits all' models; this caution is particularly appropriate in the case of the CAFTA negotiations.

Put simply, our Central American trading partners lack the capacity to adequately protect their environment, as their own environment ministers acknowledge. In an October 2001 report commissioned by the government of Brazil, Latin American environment officials recognized that the environment in Latin America is especially susceptible to trade-induced environmental damage, due largely to an emphasis on trade in natural resources and agriculture, poorly enforced environmental laws, and a virtually non-existent environmental infrastructure<sup>1</sup> – all factors particularly endemic in the CAFTA countries. Given this reality, the U.S.-Chile approach -- binding commitments for a failure to effectively enforce trade-related environmental law, reliance upon existing measures to ensure public involvement in trade and environment policy making, and after-the-fact commitment of technical assistance to build the capacity of our trading partners to promote sustainable development – is inadequate to promote environmental protection in the CAFTA context.

---

<sup>1</sup> Luciano Togiero de Almeida, ed. *Trade and Environment: A Positive Agenda for Sustainable Development*, preliminary Document for the XIII Meeting with the Latin American and Caribbean Environment Ministers (Brasilia: Brazilian Ministry of Environment, Secretariat of Policies for Sustainable Development, 2001). 1779 Massachusetts Avenue, NW, Washington, DC 20036  
Phone 202-483-7600 ■ Fax 202-483-1840 ■ [info@ceip.org](mailto:info@ceip.org) ■ [www.ceip.org](http://www.ceip.org)

In a paper published by the Carnegie Endowment, I have argued that CAFTA parties should make a binding commitment to collect and publicly disseminate environmental information, and should empower the United Nations Environment Programme to conduct independent assessments of the enforcement of national environmental laws.<sup>2</sup> In addition, I have emphasized the importance of promoting good governance by requiring the parties to agree to create formal, public-advisory bodies to work as part of the free trade commission created to administer the agreement. If these elements are added to the approach taken in the U.S.-Chile FTA, I believe that the CAFTA would represent a genuine step towards a “win-win” for trade and the environment.

The second reason for not tabling language on environment this month is because Central American civil society groups have not yet had the opportunity to engage their governments in a serious discussion of trade negotiations. Under your leadership, the United States and its contractors have begun to demonstrate to Central American government officials the importance of keeping their publics informed about on-going negotiations and establishing formal and informal processes for public input and feedback. I understand that there has been some very recent progress toward a more open dialogue regarding trade policy, especially in El Salvador and Guatemala. That said, a few weeks of capacity building work will not change the decades of mistrust in government experienced by most citizens in the region. Despite your efforts, non-governmental organizations with ties to Central American communities report that their constituencies remain virtually unaware of the negotiations or their content.

As the North American Free Trade Agreement demonstrated in Mexico, stronger economic ties to the United States will change the economic future of the entire region. Central American citizens deserve adequate time to engage their governments in a discussion of the content of a free trade agreement with the United States. Failure to grant them this time, combined with a failure to address the unique trade and sustainable development challenges facing Central American nations, will produce a trade agreement that will only foster greater opposition to further liberalization among citizens throughout the hemisphere.

Sincerely,



John J. Audley  
Senior Associate, Director  
Project on Trade, Equity, and Development

Cc: Congressional Oversight Group  
Trade and Environment Policy Advisory Committee

---

<sup>2</sup> *Opportunities and Challenges to Advance Environmental Protection in the U.S.-Central American Free Trade Negotiations* (Washington, DC: Carnegie Endowment for International Peace, Issue Brief), February 2003. [http://www.ceip.org/files/Publications/2003-Feb\\_CAFTA-enviro-page.asp?p=43&from=pubdate](http://www.ceip.org/files/Publications/2003-Feb_CAFTA-enviro-page.asp?p=43&from=pubdate).  
1779 Massachusetts Avenue, NW, Washington, DC 20036  
Phone 202-483-7600 ■ Fax 202-483-1840 ■ [info@ceip.org](mailto:info@ceip.org) ■ [www.ceip.org](http://www.ceip.org)