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CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE
United Nations Economic Commission for Latin America and the Caribbean
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Washington, DC 2006

DEAR MRS. MCCALLION:

We hope to find you well, and thank you for this opportunity to put forward some ideas for the Trade Negotiations Committee of the Free Trade Area of the Americas (FTAA) negotiations process. We are a working group on trade and environment created by research organizations from over fourteen countries of the Americas. We held our first workshop in Miami in December 10-12, 1998, and would like to suggest some constructive approaches regarding the FTAA working groups' agendas.

We consider that it is critical that the environment be considered within the Free Trade Area of the Americas negotiations. Hemispheric trade liberalization is not an end in itself, but rather an undertaking, because it provides the promise of economic growth and social welfare gains. This is the goal as well of environmental protection: social welfare gains. Those fields should be linked and can be linked because of this common goal. And if trade liberalization in the 34 countries proceeds without regard to environmental harms there is a high probability that environmental damage will have to be offset against whatever gains there are from trade. So we will certainly get material benefits from trade liberalization but at the same time we will have losses from environmental harms.

We are also aware that there are mutually beneficial opportunities to build provisions into the framework of the FTAA. These provisions can promote, for example, an increased trade in environmental goods and services, contributing to better environmental quality in all our countries. Opportunities also exist for preferential market access, incentives and other mechanisms that will encourage ecologically sound goods, services and foreign direct investment.

In addition, over the long term, countries and industries which take the environment into account count gain in competitiveness, as they will be using resources in a more efficient way. Environmental issues are affecting the agenda and the process of liberalization. It is better to clearly address these issues within the context of multilateral hemispheric negotiations where all have a voice than to face unilateral impositions.

For these reasons we would like to use the window provided by the Free Trade Area of the Americas negotiations Committee for the Participation of Civil Society. We have considered the mandates of the nine FTAA working groups, and would like to put forward the following questions:

1. Market access

- How to develop incentives for ecologically friendly products?
- What are the most appropriate international environmental management systems or performance standards for certification/eco-label schemes, to access opportunities generated by increasing green consciousness?
- How to recognize and support the demand for environmental goods and services?

2. Investment

- How to prevent environmental standards from being waived to attract foreign investment, and compensation from being required for the development of legitimate environmental laws?
- How to establish common criteria to protect the investor, which are not based on a right to pollute?

3. Services

- How to ensure impartial evaluation of potential environmental impacts of higher levels of intra-hemispheric transportation, increased shipping and port services, and other large infrastructure projects resulting from augmented international trade?
- How to provide incentives to develop low-impact service sectors such as eco-tourism and information technology?

4. Government procurement

- How to improve transparency in government procurement choices and encourage greener choices?

5. Dispute settlement

Will dispute settlement bodies will have access to environmental expertise when necessary?

How to ensure the impartial multilateral monitoring of and accountability for environmental misdemeanors, to protect the rights of citizens?

6. Agriculture

- How to prevent soil exhaustion impacts in the context of increased hemispheric agricultural trade?
- What are the new environmental and scale challenges for phyto-sanitary institutions (information sharing, capacity development and other issues)?
- How to best co-ordinate with multilateral environmental agreements on issues of biological safety (safe release of genetically modified organisms and other issues)?

7. Intellectual property rights

- How to address issues of access to genetic resources, bio-prospecting and traditional collective rights?

- How can the development and better access to clean technologies be promoted?

8. Subsidies, anti-dumping and countervailing duties

- How to discourage subsidies, which disrupt trade flows and create incentives for unsustainable levels of resource exploitation (eg. agricultural subsidies which support chemical-intensive practices, energy subsidies)?

9. Competition policy

- What are the links between competition policy and domestic environmental policies, including environmental impact assessment systems, standards, market-based and voluntary instruments?

These are the preliminary components of the research agenda, which we as a working group have embarked upon as a starting point. Globalization tendencies, of which the integration trend is one, reach beyond mere economic aspects to include social, environmental and political characteristics. We think it is critical that, inasmuch as these issues affect the FTAA Agenda, they be taken into account at national hemispheric levels.

Yours sincerely,

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