



Labor, the Environment, and the U.S.-Colombia and U.S.-Panama TPAs

The May 10th Agreement: Addressing Longstanding Concerns

For years, labor and environmental community stakeholders have lobbied for trade agreements that incorporate higher labor and environmental standards that are enforceable with trade sanctions. Trade agreements in recent years have incrementally addressed these concerns and most recently resulted in a significant advancement under the “May 10th Agreement.”

On May 10, 2007, a bipartisan group of Congressional members forged a new agreement with the Administration to respond fully to stakeholders. The provisions that were drafted pursuant to the “May 10th Agreement” were incorporated into pending agreements with Peru, Colombia, Panama, and Korea. These provisions paved the way for strong bipartisan Congressional approval of the U.S.-Peru Trade Promotion Agreement.

Like the Peru agreement, the Colombian and Panamanian FTAs incorporate the May 10th labor and environmental provisions, which ensure that U.S. trading partners promote and protect global labor and environmental rights and standards and require our trading partners to make improvements in their regimes.

How Does the May 10th Agreement address Labor and Environmental Concerns?

LABOR: The May 10th Agreement:

- Requires U.S. trading partners to adopt and maintain the five basic internationally recognized labor standards, as stated in the ILO Declaration (includes freedom of association, effective recognition of the right to collective bargaining, and prohibitions against forced labor, employment discrimination and child labor);
- Imposes certain binding “non-derogation” commitments, preventing the lowering of these standards in a manner affecting trade or investment at any point after the trade agreement has been adopted; and
- Subjects the commitments to binding dispute settlement and provides that the United States may impose trade sanctions if another party fails to effectively enforce labor laws through a sustained or recurring course of action or inaction in a manner affecting trade or investment.

ENVIRONMENT: The May 10th Agreement also requires the parties to the trade agreement and to mutual multilateral environmental agreements (MEAs) to adopt, implement, and effectively enforce the standards in those MEAs and subjects them to review and enforcement mechanisms, including trade sanctions.