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At the conclusion of the Miami Ministerial last November, some of the reporters commented that the chemistry between Ambassador Zoellick and Minister Amorim of Brazil seemed remarkably good. The Ministerial had produced a consensus Declaration and a way forward for the Free Trade Area of the Americas (FTAA). Ministers had worked so well together that work wrapped up a day earlier than planned. Protests against the FTAA had been anticlimactic and substantially smaller than forecast.

At the closing press conference, some reporters didn't seem especially happy about all this... after all, conflict always makes a good story, and Miami had been very short on acrimony and conflict. One reporter even wondered aloud whether the Ministerial agreement had been facilitated by a grand dinner on South Beach!

Perhaps it wasn't surprising that some observers expected a failure, or at least some fireworks. This was, after all, the first trade ministerial on U.S. soil since Seattle, a debacle that set back trade liberalization globally for several years. And it came less than three months after the Cancun WTO ministerial failed to produce a consensus. It also came in a context of rising political and economic uncertainty in the region, as demonstrated by the recent fall of Bolivian President Sanchez de Lozada, and of rising skepticism about market economic reform and trade liberalization as strategies for prosperity.

Failure at Miami could indeed have had very negative implications regionally and for the U.S. trade agenda, while success at Miami could help restore momentum to our efforts on trade overall – and not just in the FTAA. To confront anti-globalization protestors, protectionists and other opponents, we needed to demonstrate that all 34 countries, and in particular the United States and Brazil as co-chairs of the FTAA, could achieve a successful outcome.

We succeeded. At Miami, the United States transformed a decade of meandering FTAA talks into a real market-opening initiative, with a focus on first removing the barriers that most affect trade. We announced two major new bilateral free trade initiatives with Panama and the Andean nations, advanced our talks with Central America, and helped to restore momentum and goodwill for global free trade talks. Indeed, just last week, Ambassador Zoellick engaged all his fellow WTO trade ministers with a common-sense approach for advancing the Doha negotiations in 2004. Had Miami failed, none of this might have happened.

The principal goal of Ministers meeting in Miami was to put the FTAA negotiations on a path to produce meaningful results and conclusion by January 2005. Let me summarize the key points of the Declaration issued by ministers on November 20.

- First, it reaffirms countries' commitment to achieving by January 2005 a comprehensive and balanced free trade agreement, including an appropriate balance of benefits to obligations and commitments undertaken.
- Second, Ministers recognize that countries may assume different levels of commitment in the FTAA. They declare they will seek to develop a "common and balanced set of rights and obligations applicable to all countries," and they instruct their deputies to develop this common set that includes provisions in all nine areas of the negotiations: market access; agriculture; services; investment; government procurement; intellectual property rights; competition policy; subsidies, anti-dumping and countervailing duties; and dispute settlement. Ministers affirmed that the common set of rights and obligations will apply to all; this is key if the FTAA is to effectively promote economic growth and integration.
- Third, the Miami Declaration establishes that countries can agree on additional trade liberalization in the FTAA beyond the common set and sets up a mechanism for such negotiations among interested countries in a way that provides useful incentives for others to join in.
- Fourth, ministers affirmed that FTAA is a single undertaking comprised of BOTH the set of common obligations applicable to all countries and the additional obligations. It is our hope that eventually all countries will achieve the higher level of obligations and benefits.
- Fifth, Ministers recommitted themselves to working more effectively on the appropriate treatment in the FTAA of differences in levels of development and sizes of economies, and to use the Hemispheric Cooperation Program (HCP) as the preferred path for meeting the trade capacity and adjustment needs of the Hemisphere.

We feel this approach to FTAA strikes the right balance between the sensitivities of some countries (like Brazil) while pointing everyone in the direction of a genuine FTA that integrates economies across the hemisphere.

Importantly, this is a balance that requires that everyone will do certain common things from day one... it's NOT a situation in which countries can pick and chooses what they want to do. This approach will allow 34 vastly different economies to move realistically forward toward true regional integration and open trade.

By enshrining the principle that benefits must be commensurate with obligations, the Miami Declaration also establishes clear incentives for countries to participate in the additional, higher level obligations. In other words, the concept of the FTAA laid out in Miami is that you get what you pay for.

To move forward in implementing this declaration, Vice Ministers will soon meet in Puebla, Mexico to discuss the contents of the common set of rights and obligations. This will be a very important discussion, because it will help to establish the basic commitments that all countries will have to make to participate in the FTAA, and will figure out how the negotiations on additional provisions will work.

The prospects are, frankly, uncertain. The U.S. is certainly strongly committed. We have to hope that we will soon see the same level of commitment and determination to work pragmatically from others.

Part of dealing with common rights and obligations will be to negotiate market access agreements on goods and agriculture with all countries in the Hemisphere. As we made clear in February 2003 when we put forward a market access offer that differentiated between countries in the region, the United States is prepared to discuss customized market access requests and offers with various groups of countries, including Mercosur. Some have called this a “Four Plus One” market access negotiation, and that’s true as far as it goes. But it’s NOT a separate FTA. It’s a discussion on market access within the structure and context of the FTAA, just as the U.S. will negotiate FTAA market access commitments with other regional groupings.

This is an important distinction, because at Miami the United States also made some other key announcements. We indicated that we would move ahead in negotiating comprehensive, state-of-the-art FTAs with Panama, with Colombia and Peru, and with Bolivia and Ecuador when they’re ready. Together with existing agreements like NAFTA and the Chile FTA, and ones under negotiation with Central America and the Dominican Republic, the United States is now on track to have comprehensive free trade agreements with two-thirds of the Western Hemisphere.

So to summarize, the United States has worked to put in place a clear 3-part strategy for freeing trade in this Hemisphere:

- First, in the FTAA, we will work to establish a common set of rights and obligations that will allow all 34 countries of the region to move together forward to reduce and eliminate tariffs, expand market access, and strengthen rules and disciplines.
- Second, for those prepared to go further in FTAA, the Miami Declaration also establishes clear incentives—by making benefits commensurate with obligations—for countries to participate in the additional, higher level of market-opening commitments.
- Third, we are now on track to achieve gold-standard, comprehensive FTAs with more than two thirds of the Hemisphere’s population and economy, through bilateral free trade initiatives now underway or scheduled to begin in 2004.

If this strategy is to succeed, the business community has a special role. You need to make clear to your governments that you support the kinds of provisions and commitments that will help bring about trade, investment, jobs, and prosperity. Similarly, you need to avoid—and encourage your governments to avoid—ideological positions that are unconnected with the reality of how business works and the practical problems that entrepreneurs and traders encounter every day.

The structure is now in place... we have a three-pronged approach to liberalize trade, encourage investment and achieve regional integration in this Hemisphere, realizing a 200-year old vision of both north and south Americans. Progress depends on all of us working to expand the circle of political and economic liberty, and to bring home benefits to our businesses, farmers, workers, and consumers. We have an historic opportunity; with your help, we will seize it.