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Contact: Andrea Mead

(202) 395-3230

U.S. Trade Representative Ron Kirk Announces Next Step in Labor Rights Enforcement Case against Guatemala

Washington, D.C. —United States Trade Representative Ron Kirk today announced that the U.S. is taking the next step in a dispute regarding the Government of Guatemala's apparent failure to effectively enforce its labor laws by requesting the establishment of an arbitral panel under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). The United States requested formal consultations in July 2010 regarding the issues in this case.

The case involves apparent failure by the Government of Guatemala to meet its obligations under CAFTA-DR with respect to the enforcement of Guatemalan labor laws, including those related to the right of association, the right of workers to organize and bargain collectively, and acceptable conditions of work. This is the first labor case that the United States has ever brought under a trade agreement.

"With this case, we are sending a strong message that the Obama Administration will act firmly to ensure effective enforcement of labor laws by our trading partners," said Ambassador Kirk. "While Guatemala has taken some positive steps, its overall actions and proposals to date have been insufficient to address the apparent systemic failures. We need to see concrete actions to protect the rights of workers as agreed under our trade agreement, and we are prepared to act to obtain enforcement of those rights when and where necessary."

Background

In April 2008, the AFL-CIO and six Guatemalan worker organizations filed a public submission under the CAFTA-DR alleging that the Guatemalan government had violated its CAFTA-DR labor commitments by failing to effectively enforce its labor laws. After reviewing the submission, the U.S. Department of Labor issued a public report finding significant weaknesses in Guatemala's enforcement of its labor laws.

Since then, the U.S. Government, including USTR and the Departments of Labor and State, has conducted an extensive examination of Guatemala's compliance with its commitments under the CAFTA-DR labor chapter. This examination included (1) a careful review of Guatemala's labor laws, (2) extensive collection of factual evidence, and (3) a careful analysis of Guatemala's obligations under Article 16.2.1(a). Based on the examination, the U.S. Government concluded that Guatemala appeared to be failing to meet its obligation with respect to enforcement of labor laws.

In an attempt to resolve its concerns, the U.S. Government requested consultations under the CAFTA-DR labor chapter on July 30, 2010. Consultations were held in Guatemala in September and December of 2010. The U.S. government then requested a meeting of the Free Trade Commission on May 16, 2011. The Commission met June 7, 2011. Intense work ensued to reach agreement on an adequate enforcement plan, but those efforts have not succeeded. The U.S. Government is therefore now moving to the next step of formation of an arbitral panel.

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