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**FREE TRADE**

## **U.S., Peru to sign agreement**

**By Mark Drajem and Alex Emery**

Bloomberg News

The stalled U.S.-Peruvian trade agreement will be signed at a ceremony today despite new uncertainty over political support for the deal in Peru.

The signing is scheduled to take place at the Organization of American States in Washington, according to an invitation sent to lobbyists by U.S. Trade Representative Rob Portman. Peruvian President Alejandro Toledo, who favors free trade, is required by law to step down as president in July, and the two candidates vying to replace him oppose the trade accord.

"The panorama is uncertain, but the U.S. negotiates free-trade agreements with countries, not with presidents or candidates," said John Murphy, vice president for Latin American affairs at the U.S. Chamber of Commerce in Washington.

Lourdes Flores, who campaigned on pledges to support free trade, lost a three-way election this week. A run-off will be held between the remaining candidates -- former President Alan Garcia and nationalist Ollanta Humala -- both of whom oppose the free-trade agreement with the United States because they say it would allow in a flood of subsidized American agricultural goods.

Goods from Peru, as well as Colombia and Ecuador, have duty-free U.S. access through the end of this year under an agreement intended to curb the illegal drug trade in the region. An accord would make that access permanent.