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## FREE TRADE

# Senator battles funding for FTAA

State senator Mike Fasano questions funding for Florida's effort to land a trade headquarters in Miami and says Brazil's lukewarm position on FTAA helps.

BY JANE BUSSEY

[jbussey@herald.com](mailto:jbussey@herald.com)

A state senator says Brazil's cold shoulder this week to the proposed Free Trade Area of the Americas bolsters his case for cutting off funding for Florida FTAA, Inc.

Sen. Mike Fasano, a Republican from New Port Richey, said President Luiz Inácio Lula da Silva's remarks that the FTAA is a low priority for Brazil will only help his effort to strip \$525,000 in funding for Florida FTAA, the group lobbying to have Miami named as the headquarters for the proposed hemispheric trade pact.

"If you have the president of a major country that is supposed to participate in the Free Trade Area of the Americas who says 'we haven't looked at it or bothered with it in the past couple years,' it clearly shows that tax dollars have been thrown away," said Fasano, who is spearheading the effort to strip the funding from the Florida Senate's version of the 2005 budget.

Lula da Silva roiled the political waters Wednesday when he told a group of labor leaders: "For two years, FTAA has not been discussed in Brazil, because we took it off the agenda."

"It sounds like the president of Brazil is trying to make my case," said Fasano, who is chairman of the Transportation and Economic Development Appropriations Committee.

But Jorge L. Arrizurieta, president of Florida FTAA, said the organization he heads is doing important work. "It is an extremely good use of our taxpayers' funds," Arrizurieta said. "We are the only U.S. city that has [foreign] endorsements [as a secretariat site]."

Atlanta; Chicago; Colorado Springs; Houston; Miami; Cancún, Mexico; Panama City, Panama; Port-of-Spain, Trinidad and Tobago; Puebla, Mexico, and San Juan, Puerto Rico are all cities vying for the FTAA headquarters.

Although the state Senate cut Florida FTAA funding from its budget proposal, the House included some funds in its budget bill, which is headed to conference committee.

Pam Dana, the state director of trade, tourism and economic development, said Gov. Jeb Bush had asked lawmakers for \$3.68 million for international efforts, including Florida FTAA and numerous bilateral and regional trade programs, in his budget request.

"Our position is obviously we are hopeful that the legislature will see fit to support the governor's proposal," Dana said.

Fasano's criticism centered on expenditures such as \$70,000 for airplane tickets, and what he believed were high costs for marketing, public relations, telecommunications, office space and overnight shipping.

"We have yet to see one job come from the millions of dollars that we have put into this program," Fasano said.

But Arrizurieta said that half the cost of airline tickets, the express shipping and half of the office rent were "in-kind" funding from private companies that support Florida FTAA.

Arrizurieta also noted that his \$150,000 a year salary was paid for by the private sector and local government funding.

"This is a minor investment for our state," he said.

When and how the FTAA secretariat will be chosen, along with its specific functions and sources of funding, have yet to be defined.

And negotiations for the FTAA itself have been at a standstill for 14 months because countries cannot agree on what will be negotiated. Plans for Brazilian and U.S. negotiators -- the two key countries and co-chairs -- to meet in April fell through.

Within hours of Lula Da Silva's remarks, Brazil's Foreign Ministry spokesman Glaucio Veloso tried to clarify, insisting the country was interested in the hemispheric trade pact but had ``resorted to a new approach toward negotiations."

Many expect discussion of the FTAA to be on the agenda when Secretary of State Condoleezza Rice visits Brazil next week.

"We continue to want to pursue the FTAA goals and we hope that Brazil will continue to work with us," said Richard Mills, spokesman for the Office of the U.S. Trade Representative.

But other potential members of the pact are growing worried about its future.

"We in the Caribbean are concerned at the continued delays in restarting the negotiations," said Richard Bernal, the chief trade negotiator for the Caribbean.

Trade economist Jeffrey J. Schott said the seeds of the delays were planted in November 2003 when an FTAA compromise was pushed through at a Miami trade ministers' meeting. The watered-down agreement meant "we are really not going to have an FTAA for a very long time," he said.

Schott said trade negotiators will need to go back to their original plan to conclude FTAA negotiations by 2007.