

# Dubai Ports World *already* operates in Peru, thus approval of the Peru FTA would grant DPW new rights to operate U.S. ports

Just months ago, Congress nearly rejected a NAFTA-CAFTA style “free trade” agreement (FTA) with Oman. Many in Congress voted against the deal because it included obscure terms that grant firms incorporated in Oman a new right to “acquire and operate” landside port activities *within* the U.S.. These are exactly the kind of rights that the House voted to deny Dubai Ports World (DPW) in the scandal about that firm’s attempt to take over U.S. ports. Yet, under the Oman FTA, if Congress did the same thing – thus undermining the new free trade agreement “rights” of an Oman-based company – the U.S. would be dragged to an international tribunal and face major fines to be paid with our taxpayer money!

Now, the Bush administration wants Congress to vote on the Peru FTA (PUFTA), which includes identical port insecurity provisions – except the threat to U.S. port security posed by approving the Peru FTA is immediate.

The supporters of the Oman FTA said the port security issue was “too hypothetical” because there would only be a problem if DPW set up shop in Oman sometime in the future. **Yet, Dubai Ports World *already* is incorporated in Peru. If the Peru FTA is passed, DPW would *immediately* have a new FTA-granted “right of establishment” to operate U.S. ports or drag us before international tribunals to demand compensation. If Congress passes the Peru FTA, what had been a hypothetical scenario with the Oman FTA would become a reality: Dubai Ports World will have a trade pact-granted right to do what Congress blocked it from doing in March 2006.**

**Background:** In June 2006, DPW acquired a 30-year concession to develop and operate a new container terminal at the Port of Callao, Peru just outside of Lima, the Peruvian capital city. The Dubai-based company acquired the concession through the London-based Peninsular and Oriental Steam Navigation Company (P&O), a firm controlled by DPW as of early 2006. DPW/P&O has a 70 percent stake in the Peruvian concessionaire established to run the port operations, which is called *Consorcio Terminal Internacional de Contenedores del Callao* (translated as Callao Containers International Terminal Consortium.) The remainder of the capital comes from the Peru-based Uniport S.A. company.

**Additional Sources:** “Entregan concesión portuaria en Perú en medio de protestas,” *Associated Press*, June 19, 2006; “Peruvian dockers in privatization strike,” *Lloyd’s List*, June 21, 2006; Luis Jaime Cisneros, “Perú concede muelle del Callao para elevar su competitividad,” *Agence France Presse*, June 26, 2006; Vanessa Ochoa, “Subscriben concesión del Muelle Sur,” *La República* (Peru), July 25, 2006.



## DP WORLD WINS PERU CONTAINER TERMINAL CONCESSION

Dubai, 20 June 2006: - Global marine terminal operator DP World has announced that it has been granted a 30 year concession to develop and operate a new container terminal in the southern zone of the Port of Callao, Peru. The concession has been awarded by the Agency for Investment Promotion (Proinversion) and the National Port Authority (APN). DP World will own 70% of the development company through its subsidiary P&O, with the balance held by a local Peruvian partner, the Unimar group of companies. The closing date for the signing of the concession contract is scheduled for 19 July 2006...

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*Taken from DPW official press release...*

# A vote for the Peru FTA is a vote FOR Dubai Ports World’s control of U.S. ports