



FRIENDS OF RULE OF LAW IN ECUADOR INC.

May 10, 2012

President Barack Hussein Obama
President, The United States of America
The White House, via www.regulations.gov
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Regarding USTR Report on Operation of the Andean Trade Preference Act:
6-30-12 Presidential Review of Ecuador's Eligibility Criteria for U.S. Trade
Preference Programs, Docket # USTR-2012-0006

Dear President Obama:

We urge you to consider that no nation should be deemed as a “democracy” when any of the supporting, definable pillars of democracy such as open media/free speech, free and fair elections, due process under law and independent functions of governance are breeched/terminated. Indeed, functionally no democracy exists when any of the primary pillars of democracy falls, indicative of a definable collapse.

We request that you cease the unjustifiable presidential approval of U.S. funds and waivers for Ecuador unless and until Ecuador restores functioning rule of law, a core democratic pillar.

For the last three years, your efforts have demonstrably failed to present and review the facts about the nation of Ecuador under president Rafael Correa. While we understand your regard for your preferred donors to the U.S. Democratic Party, the profound denial of fact-based updates pertaining to Ecuador remains in abeyance of the U.S. Congressional demands that the U.S. Department of State report factually core details of the removal of rights, legal strictures, treaties, concordances and relational materiel by Ecuador which impacts U.S. relations.

To be sure, your refusal to deliver fact-based Reports regarding Ecuador is of a set piece, even as this matter is no small matter to the victims of the multi-year U.S. brown out of facts. Sadly, if you base your June 2012 U.S. Trade Preference Report on your own stubbornly inaccurate Reports on Ecuador, you might incorrectly conclude again that

Ecuador warrants duty and tariff free trade extensions again when every factual indicator, as required under U.S. statute, reveals that it does not qualify. Why continue the embarrassing reward of this false chimera with U.S. monies?

It remains that Ecuador is a wealthy nation whose poor are harmed by state corruption. Ecuador is larger than England and has vast natural gas reserves while its GDP, at best is a reflection of the nation's commitment today to Cuban communism called ALBA which empowers state corruption. The "poor" do better under accountable, functioning government.

Furthering your own past senatorial and personal support for the outrageous fraud against Chevron, as commenced during your time as a U.S. senator, your presidency instead would benefit from your termination of withholding facts about Ecuador under Correa.

Moreover, we urge you to cease and desist from declaring that Correa's Ecuador is a great ally of the USA for it is not. No nation is an American ally or friend that actively defrauds Americans and its own for illegally securing its own unaccountable monies by theft, extortion, lying to the U.S. Congress and jiggering whole economies of scale. Allies, called our friends, do not knowingly lie, steal and cheat. Correa's Ecuador does lie, steal and cheat and you are well advised to cease and desist from deeming Correa's Ecuador as a key ally or responsible trade benefits recipient of the American people. Correa's denial of open media and free speech is not an isolated or one-off event but part of a fulsome end to liberty. To this, we urge you strongly to stop approving U.S. monies and subsidizing Correa's illicit acts by U.S. gifts of what is basically free trade for Ecuador based on fraud. Again: Ecuador is a rich nation made poor by its Correa governmental corruption. Your obligation is to state the truth and cease to pretend that Correa's Cuban ALBA communism is identical to the Bahamas, for it is not.

A great disservice has been rendered by your acts against the American taxpayer and the people of Ecuador to further Correa's corrupt, anti-democratic regime through the U.S. Department of State's inchoate and risibly vapid Country Reports on Ecuador, all of which denies Correa's profound activities to defraud, conspire to defraud, lie, steal and cheat both his own people but also Americans. State Department's blithe claim that Ecuadorean justice can be corrupted by bribery simply ignores the full abandonment of every single pillar of democracy underway in Correa's Ecuador. Unless and until matters are set to rights responsibly in Ecuador, restoration of the pillars of democracy known when and if Ecuador restores demonstrable integrity and return of stolen assets and terminates its active fraud, we know that Ecuador has not set its house to rights. Hiding these systemic shocking criminal acts by and for Ecuador's Correa serves your interests and American interests badly. Sovereign acts to perpetuate and enable attendant sovereign acts of crime are now so obvious in Ecuador that your efforts are urged to alter your current course and formally, under your obligation as commander in chief, release de minimis a robust truth telling campaign regarding Correa's thefts and illegal seizures of his own citizens and his efforts to defraud and steal from Americans. While we comprehend that a cottage industry consisting of a plethora of contractors and interests may be discomfited by a withdrawal of U.S. governmental support for Iran's proxy state

named Ecuador, the time has come to terminate this circuitous and expensive avoidance of fact by your hand.

The demise of Ecuador is not some mythical swing of a pendulum, as numerous “experts” proclaim. Ecuadorean duty and tariff-free exports today consist of @ 90% dirty, heavy crude to the USA for refining, quite likely at Chavez’s own PdVSA refineries, publicly reported in Ecuador (and deserving fact checks) as pre-sold to China at a very low PPB to further enhance China’s energy cost reductions which casts an uncompetitive pall over U. S. manufacturing, suffering from high energy costs. Subsidizing China’s uncompetitive capabilities viz Ecuador’s cheap oil is not justifiable under the essence of the ATPDEA statute, currently deemed the ATPA which is your burden to bless or deny.

Mr. President, we urge you to suspend all U.S. monies and trade subsidies to Ecuador unless and until you can demonstrably certify that independent American actors can and do verify all data, data currently shut out before the American people and their Ecuadorean counterparts. We ask that you immediately deliver fact-based annual Country Reports regarding Ecuador. On April 24, 2012, based on your government’s available and severely truncated data, *The Washington Post* announced of Ecuador, “In Ecuador, President Rafael Correa’s government focuses much of its attention on corralling the press, with the president filing libel suits against reporters he accuses of subverting his rule.” While discredited on its face, this is the current view of Correa’s Ecuador which is not singularly just attacking the media but has attacked all liberties and rights. To be sure, such acts are never carried out in isolation even as Correa’s take-over of free speech and open media is, while robust and sustained, but the tip of the iceberg for he has taken over all definable elements of government. We know- and we know that you know- that facts about Ecuador’s Cuban communist allegiance are definable and readily available. Hiding facts is not responsible.

In 1835, Alexis de Tocqueville’s *Journeys to England and Ireland* notes, “People say that the spirit of trade naturally gives men the spirit of liberty. Montesquieu asserts that somewhere. That is true in part. But I think it is above all the spirit and habits of liberty which inspire the spirit and habits of trade.”

Liberty, sometimes called democracy, is raped by criminal acts. At freedom’s end we see president Correa’s habits committed to crime, fraud and gaming the generosity of the American people. Far more efficacious would be a principled position which no longer rewards sovereign criminality but rather nakedly inspires and inculcates “the habit of liberty” which in turn inspires “the spirit and habits of trade.” Rather than enabling Ecuador’s freedom-ending activities, your high offices are well advised to commence robust truth telling which should be visible in your June 30, 2012 Presidential Review of Ecuador. We also wait in hope that your diplomatic team renders corrected, fact based reviews of Ecuador. A fact-based dossier of Ecuador’s rampant criminality, after three years of denial, is dearly warranted. We urge you to stand with defenders of liberty in Ecuador to secure the restoration of stolen assets, along with stolen freedom, and the end of governmentally-backed crimes.

Under Ecuador's Correa, many lives are in the balance. We further no interests nor secure any blessing when we see dignity fail and courage run.

Toward the rectification of U.S. governmental Reports and corrective steps for Ecuador's systemic governmental grievous wrong-doing, we extend our best wishes,

Margaret L. Petito
President

cc: The Honorable Ron Kirk
U.S. Trade Representative