

TRANS-PACIFIC PARTNERSHIP FREE TRADE AGREEMENT: UNDERMINING DOMESTIC REGULATION

Trade officials from the U.S. and ten Pacific Rim nations—Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam— have been in intensive, closed door negotiations for five years to sign the Trans-Pacific Partnership (TPP) “Free Trade” Agreement. TPP is set to be a “docking agreement” so that every Pacific Rim nation from Japan to China and Russia could “dock in”, making it the largest trade agreement ever. Of TPP’s 29 draft chapters, only five deal with traditional trade issues – most set rules on non-trade matters like food safety, domestic environmental and financial regulation, healthcare and more. The public, Congress and the press cannot see draft TPP text but 600 U.S. corporate “trade advisors” have full access. The Obama administration wants to sign TPP by fall 2013.

If adopted, TPP will:

- ✓ Make it easier for corporations to shift jobs to wherever labor is most exploited and regulations are weakest;
- ✓ Put checks on democracy at home and abroad by constraining governments’ ability to regulate in the public interest.

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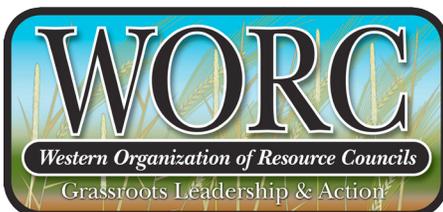
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EMPOWERS CORPORATIONS TO ATTACK REGULATION & DEMAND COMPENSATION

A major goal of US multinational corporations for TPP is to expand a set of extreme foreign investor privileged and rights through the “investor-state” system. This system elevates corporations and investors to the status of the governments who sign TPP. Under this system, foreign firms can skirt domestic court systems and directly sue governments for cash damages (our tax dollars) over alleged violations of their new rights before World Bank and UN tribunals staffed by private sector attorneys who rotate between serving as judges and bringing cases for corporations.

If a corporation wins its private enforcement case, the taxpayers of the losing country must foot the bill. Over \$3 billion has been paid to foreign investors under U.S. trade and investment pacts, while over \$14 billion in claims are pending under such deals. This includes payments over natural resource policies, environmental protection, health and safety measures, and more. Even when governments win, they waste resources defending national policies against these corporate attacks.

TPP also grants new rights for foreign investors to obtain compensation from host governments for loss of “expected future profits” due to regulation. The scope of our domestic policies exposed to such attacks is vast, including consumer health and safety policies, environmental and land-use laws, government procurement decisions, regulatory permits, intellectual property, financial regulation, and more.

Under TPP, corporations would gain an array of privileges:

- ✓ Rights to acquire land, natural resources, factories without government review
- ✓ Eliminate risks and costs of offshoring to low wage countries
- ✓ Compensation for loss of “expected future profits” from health, labor environmental, laws
- ✓ Rights to move capital without limits
- ✓ New rights to cover intellectual property, permits, and derivatives

TPP could make it impossible to stop construction of coal export terminals

Trade agreements paved the way for multinational corporations to sue the US for barriers to trade like health and safety or environmental reasons. Ambre Energy is mining coal in the Powder River Basin with the desire to ship it, tax-free, to Japan, Taiwan, and South Korea, utilizing the TPP and the Korea Free Trade Agreement as its cushion. The holdup is the development of coal export terminals – if stopped, Ambre could sue the U.S. for blocking trade-related infrastructure development.

BANS BUY AMERICAN POLICIES

TPP's procurement chapter would require that all firms operating in any signatory country be provided equal access as domestic firms to U.S. government procurement contracts over a certain dollar threshold. To implement this "national treatment" requirement, the U.S. would agree to waive Buy America procurement policies for all firms operating in TPP countries. Some corporate TPP proponents argue that this is good for America because U.S. firms would be able to bid on procurements contracts in other TPP countries. But that is not a good tradeoff: Taking even the most favorable cut on other countries' markets, the total U.S. procurement market is more than seven times the size of eight TPP countries combined.

THREATENS FOOD SAFETY & FOOD LABELING

TPP would require us to allow food imports if the exporting country claims that their safety regime is "equivalent" to our own, even if it violates the key principles of our food safety laws. These rules would effectively outsource domestic food inspection to other countries.

Under TPP, food labels could also be challenged as "trade barriers." TPP would impose limits on labels providing information on where a food product comes from and would endanger labels identifying genetically modified foods and labels identifying how food was produced. TPP would expand the limits on consumer labels already included in existing trade agreements, like the World Trade Organization.

DESTROYS FAMILY FARMS & FORCING MIGRATION

TPP is expected to continue allowing U.S.-subsidized corn, wheat, soy, rice and cotton to be dumped on other countries, while also allowing the import of cheaper (and often less safe) fruits, vegetables and seafood from other countries—further consolidating global food supplies, while forcing more and more family farmers off their land and exposing consumers to wild food price fluctuations. This phenomenon under NAFTA is already a driving force behind migration from Mexico to the U.S., and is the reason why farmers in many countries are already adamantly opposed to TPP.

INCREASES FRACKING & ENERGY EXPORTS

One of the dirty secrets of TPP is its potential to pave the way for more exports of natural gas produced in the US, which could increase prices for consumers and dramatically increase gas production. Currently, in order for the US to export natural gas to another country, the Department of Energy (DOE) must first conduct a thorough public analysis of the environmental and economic impacts. Under TPP, the DOE loses its authority to regulate exports of natural gas to TPP countries.

TPP, therefore, could mean automatic approval of liquid natural gas (LNG) export permits—without any review or consideration—to TPP countries. And many TPP countries are very interested in importing LNG from the US, especially Japan, the world's single largest LNG importer, which is expected to join TPP talks.

KEEPS THE PUBLIC IN THE DARK

Since negotiations began in 2008, none of the negotiating documents have been officially released for public review (although some have been leaked). In the US, 600 corporate lobbyists serve as official advisors, granting them regular access to the negotiating texts and the negotiators. Civic groups, journalists and those whose lives will be affected by TPP have no right to see the texts until the negotiations end when it is more-or-less impossible to change them.

TAKE ACTION

- ✓ **Contact your Senators and Representatives:** Ask them to demand release of the secret negotiating texts and stop the TPP.
- ✓ **Write President Obama:** tell him we cannot afford another job killing, unsafe-import-flooding, democracy-crushing NAFTA-style trade deal.
- ✓ **Learn more about the TPP at www.worc.org**