

## **Why should your Congressional Representative oppose Fast Track, the TPP (Trans-Pacific Partnership) and TAFTA (Trans-Atlantic Free Trade Agreement)?**

### **Because the TPP and TAFTA...**

#### **Are not really trade agreements.**

These trade agreements are not the usual kind of trade agreement focused on lowering tariff barriers to encourage trade. Rather, they undercut our environmental, health and safety laws and regulations. If a corporation wins its investor-to-state case, the taxpayers of the “losing” country must foot the bill if the challenged law or regulation is not changed.

More than \$430 million in compensation has already been paid out to corporations in a series of investor-to-state cases under NAFTA. This includes attacks on natural resource policies, environmental protections, health and safety regulations and more. In fact, of the more than \$38 billion in the 17 pending claims under NAFTA, all challenge environmental, energy, financial, public health, land use and transportation regulations enacted at the local or state level. Trade agreements that protect “investor rights” over the rights of “We the People” and our communities are about pre-empting our democratic process of government.(1)

#### **Violate our most fundamental principles of democracy.**

The TPP and TAFTA, now under negotiation, each include the same “Investor-to-State” rules as NAFTA and CAFTA. These allow foreign corporations to sue our government in secret trade tribunals, that bypass our own domestic court system, to challenge our environmental, health, labor, and other laws as a “regulatory taking” of their profits, even their “expected future profits.”

States, cities and towns do not have standing to participate in these international tribunals, no matter how they might be impacted. These trade tribunal decisions cannot be appealed in our courts, not even in the U.S. Supreme Court. This violates our fundamental principles of democracy.

#### **Have been negotiated in complete secrecy.**

Congress has had not access to the TPP text, until recent protests by Congress members now allow them to read the text in a guarded room, but they cannot take notes or discuss the text with other members. Only because of leaks do we know the content of some of the Chapters. Nevertheless, 600 corporate lobbyists are included in negotiations and have had access to the text. Much of the TAFTA text remains secret, though some text has been released or leaked.

#### **Create a new regulatory bureaucracy.**

The “Regulatory Coherence” Chapter of the TPP requires that each country create a new domestic bureaucratic structure to conform (“harmonize”) all their agency and department regulations to a corporate-friendly, regulatory framework.

With TAFTA, a Regulatory Council is proposed that would sit above the European Parliament and the U.S. Congress. Thus the in signing TAFTA, the U.S. President and Congress would be agreeing to abide by decisions made by an appointed new supra-national body unaccountable to our democratically elected representatives in Congress or state or local government.

**Make another financial crisis more likely.**

Both agreements contain provisions that would undercut the ability of our government to prevent another financial meltdown by making it difficult to regulate risky derivatives and new financial products, and other financial practices by "too big to fail" banks. As we know, the impact of the financial crisis on local economies and government revenues in many states, as well as on homeowners, has been disastrous and continues to slow economic recovery.

**Rob local government of the ability to protect local jobs and public health.**

Legal enforcement of the TPP and TAFTA could invalidate municipal "Sweatshop Free" and "Buy Local" policies thus robbing that municipality of jobs and worker protections. Challenges would also invalidate "Buy American" policies, thereby threatening American manufacturing and jobs.

Furthermore, laws that protect public health and the environment at all levels of government are open to challenge and the new "Regulatory" bureaucracy is mandated to oversee this process of "harmonization" with the trade agreement provisions that are at the lowest possible level or eliminated. This, coupled with the "investor rights" protections has a chilling effect on law-making in the public interest.

**Could inflate your healthcare bill.**

Even as the Federal and various state governments are attempting to reduce the cost of medicine and drugs, American pharmaceutical corporations are writing rules in the TPP (and likely in TAFTA) which would prevent the use of such policies. Even the AARP, which traditionally does not involve itself in discussion of trade rule, has written the President expressing concern about proposed rules which would increase lengths of patents, and prevent, or at least, limit government ability to negotiate or mandate lower drug prices in programs like Medicare, Medicaid and medical programs for Veterans, seniors and the poor. In fact, pharmaceutical firms have engaged in lobbying for the TPP than any other business.(2)

**Will likely impact city planning - a major function of city government.**

Foreign corporations that own land, what to build or carry out business in your municipality may under "investor-to-state" rules challenge local zoning and land-use laws that allow local government to protect environmentally sensitive areas, encourage sustainable development, protect locally-owned business, limit sprawl, and exclude, limit or regulate polluting industries and business or those that over-use local resources, including water, in order to protect health and the environment.

**Expand global corporate rule by free trade agreement.**

Corporations have always been engaged in setting trade policy, but trade used to be about tariffs and the import and export of manufactured goods. These so-called "free" trade agreements have very little to do with traditional trade in goods. They cover services: healthcare and medicines, education, media and the internet, food safety, and much, much more. Because these agreements include protections for "investor rights," they give corporations and the corporate, financial and political elite who support them, unprecedented power to rule over "We, the People," and override democratic process and law-making.

Footnotes:

- (1) <http://www.citizen.org/documents/investor-state-chart.pdf>
- (2) <http://www.citizen.org/documents/TPP-threats-to-US-healthcare.pdf>