

THE FTAA IS A THREAT TO THE ENVIRONMENT

If you loved NAFTA, you'll love the FTAA.

What's the FTAA?

The FTAA is a new global trade agreement that, if completed, could give global corporations the power to:

- **Reduce** government control over oil drilling, water extraction, waste incineration, hotel and resort development, and businesses in national parks.
- **Weaken** drinking water standards, toxic waste labeling laws, renewable energy laws, pesticide application regulations, and many other environmental laws.
- **Take control** of water supplies, water delivery systems, and other natural resources.

The FTAA, along with two other trade agreements—GATS (General Agreement on Trade in Services), and CAFTA (Central America Free Trade Agreement)—are now being negotiated behind closed doors. **We must stop these trade agreements before it is too late.**



Who benefits from the FTAA?

Transnational Corporations (TNCs) are the winners:

- The FTAA will give these large corporations a charter of rights to protect their investments throughout the Americas.
- TNCs will be given a green light to freely move their operations across international borders in order to minimize costs and maximize profits.

How else might the FTAA affect the environment?

The North American Free Trade Agreement (NAFTA) already allows corporations to sue governments when environmental or public health laws threaten corporate profits. Now they are trying to incorporate even stronger rules into the GATS (the WTO's General Agreement on Trade in Services) and the FTAA (Free Trade Area of the Americas, which would expand NAFTA to cover the entire hemisphere).

These new trade agreements cover "services" like **toxic waste processing, mining, water diversion and extraction, oil drilling, pipeline transport, tourism operations, shipping, hotel construction, incineration of waste and natural resource management**. Services rules can:

- Keep governments from controlling the amount of ecologically-damaging "services" that corporations provide. "Market access" rules in the GATS and the draft FTAA prohibit governments from placing

limitations on the number of companies providing a particular service or on the amount of service provided.

- Services rules can also limit the ability of governments to **control how** an environmentally risky or damaging activity is conducted. This is true for two reasons. First, the "domestic regulation" rule contained in the GATS and the draft FTAA could allow corporations and governments to challenge environmental laws and regulations as "more burdensome than necessary." Who decides what's "burdensome?" Three corporate trade experts deliberating in private. Similar panels operating thus far under NAFTA and the WTO have ruled against the environment in almost all cases. Secondly, under the "national treatment" rule, laws and regulations could also be challenged if they "impact the conditions of competition" in ways that disadvantage foreign multinationals, as many environmental laws do. **Drinking water standards, pesticide application regulations, laws covering the handling of toxic wastes, renewable energy laws** and many other environmental laws could be subject to challenge under the domestic regulation provision, the national treatment provision, or both.
- Services rules could also be used to **privatize** natural resource management. The "national treatment" rule contained in the GATS and the FTAA could in the future entitle private foreign corporations to "equal rights" to compete against local public service providers for funds to perform public services. Privatization of **water collection and water delivery** are real possibilities under such a system. If such privatization occurred, profit-driven water collection could drain **watersheds, river ecosystems and underground aquifers**. Drinking water could decline under pressures to maximize profits.

NAFTA and Metalclad: a cautionary tale

Mexico was forced to pay over \$15 million to the U.S. firm Metalclad after its toxic dump project in San Luis Potosi was cancelled due to protests over environmental hazards. Although the firm never obtained a local permit nor cleaned up the site, a secretive tribunal ruled that it be compensated for its investment. The FTAA could lead to similar situations in which nations will be forced to choose between environmental hazards and huge lawsuits.

What can we do?

Contact the Stop the FTAA campaign to learn more about the FTAA and to see what you can do to stop it. The campaign is a project of the Thomas Merton Center that is working to educate and mobilize our region around efforts to stop passage of the agreement. We are also available to do presentations on the FTAA for your organization, workplace, or group.

Sources: www.peoplesconsultation.org, www.corpwatch.org