

Previewing NCEL's International Trade & Environmental Issues Forum

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Overview

- Trade 101: Trade basics - who makes trade policy, lack of transparency & state consultation, trade & investment agreements under negotiation
- Overview of environmental and international trade issues to be discussed in the NCEL Forum
- What role for state legislators?

Disclaimer

- TPP & US/EU text secret
- Information & analysis based on
 - reports in the media,
 - public statements by USTR,
 - leaked and public proposals, and
 - previous FTAs and investment treaties
- Actual text may differ from prior agreements and leaked text

TPP CONFIDENTIAL
Declassify 4 years from
entry into force

Who Makes Trade Policy?

- Office of the US Trade Representative is in the Executive Office of the President
- Advisory Committee system dominated by corporations
- The Executive Branch negotiates treaties, but Congress must approve
- “Fast track” trade promotion authority: up-or-down vote, NO AMENDMENTS
- President Obama seeking to reinstate fast track authority; pending legislation

USTR Advisory Committees

- **Advisory Committee for Trade Policy and Negotiations (ACTPN)**
- **Agricultural Policy Advisory Committee (APAC)**
- **Agricultural Technical Advisory Committee for Trade (ATAC)**
- **Industry Trade Advisory Committees (ITAC)**
- **Intergovernmental Policy Advisory Committee (IGPAC)**
- **Labor Advisory Committee (LAC)**
- **Trade Advisory Committee on Africa (TACA)**
- **Trade and Environment Policy Advisory Committee (TEPAC)**

Who has most of the seats at the table?



Committee of Chairs of the Industry Trade Advisory Committees

ITAC 01 - Aerospace Equipment

ITAC 02 - Automotive Equipment and Capital Goods

ITAC 03 - Chemicals, Pharmaceuticals, Health Science Products and Services

ITAC 04 - Consumer Goods

ITAC 05 - Distribution Services

ITAC 06 - Energy and Energy Services

TAC 07 - Forest Products

ITAC 08 - Information and Communications Technologies, Services, and Electronic Commerce

ITAC 09 - Non-Ferrous Metals and Building Materials

ITAC 10 - Services and Finance Industries

ITAC 11 - Small and Minority Business

ITAC 12 - Steel

ITAC 13 - Textiles and Clothing

ITAC 14 - Customs Matters and Trade Facilitation

ITAC 15 - Intellectual Property Rights

ITAC 16 - Standards and Technical Trade Barriers

7 US States' Role in Trade Policy

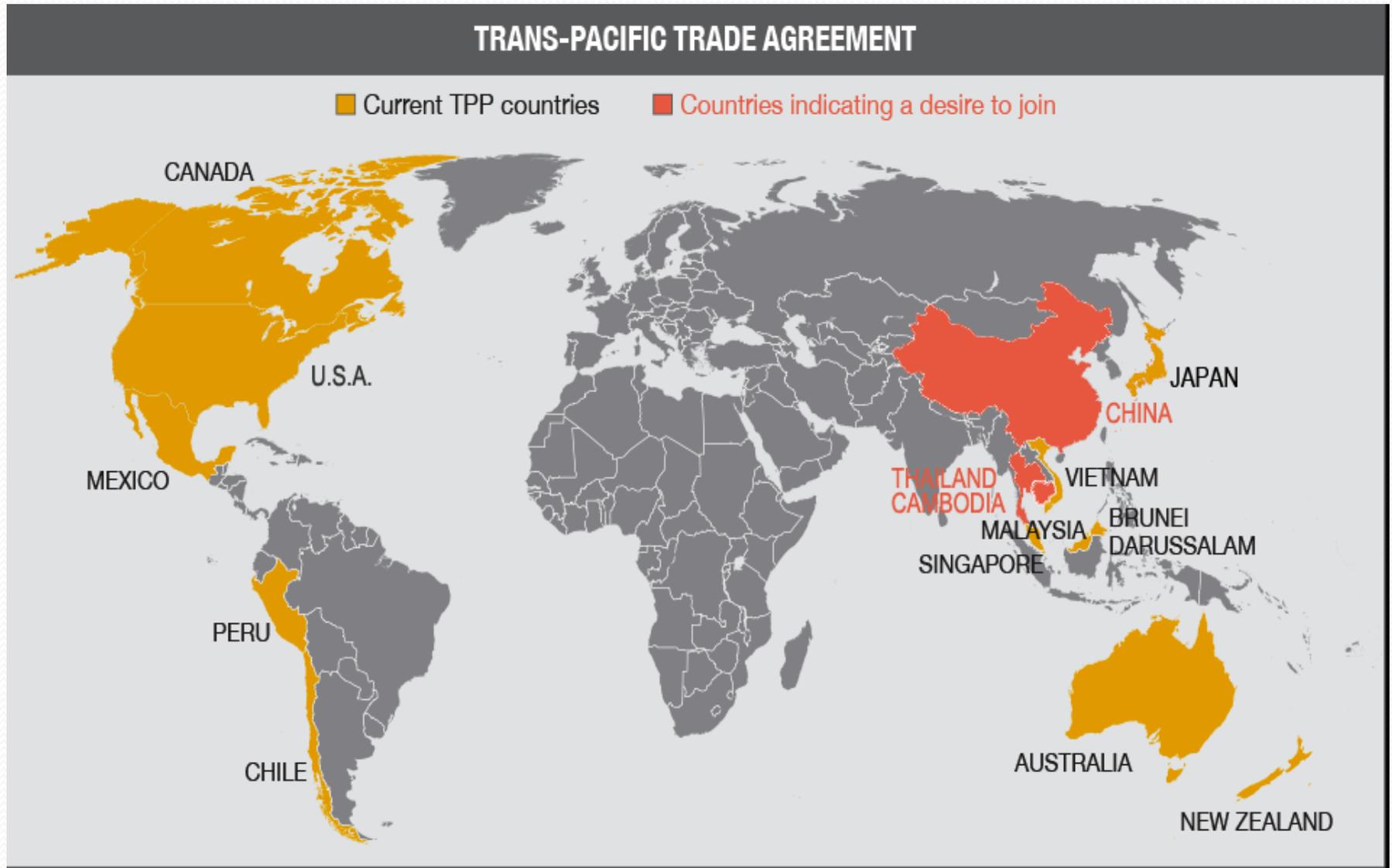


- Limited role advising on trade policy
 - Formal state role: IGPAC
 - Lack of transparency – secret texts
 - Lack of state expertise, funding, awareness
- Yet state laws have been challenged in trade disputes under NAFTA and the WTO and could be challenged pursuant to the treaties now under negotiation



What international
agreements are
under negotiation by
the USTR right now?

What is the TPP?



What is the TPP? A Big Deal!

- Negotiations in the 4th year for a comprehensive Pacific Rim trade agreement; now in the “end game”
- Current member countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
- ***Current TPP members represent about 40% of global GDP – and additional countries can join after it is finalized***
- TPP includes some of America’s top trading partners – Canada (1st), Mexico (3rd), Japan (4th) – and collectively accounted for \$1.5 trillion in trade with the United States in 2012
- 29 Chapters in the agreement, ***most do not relate to traditional trade barriers such as tariffs***

What is T-TIP (U.S. – EU FTA)?



TTIP (U.S. – EU FTA)

- 28 member countries in EU
- The EU-US economic relationship is already the world's largest, accounting for half of global economic output and nearly one trillion dollars in goods and services trade
- Negotiations formally began in 2013; 5th round is next week in Arlington, VA
- Unlike TPP, small risk of off-shoring jobs
- But like TPP, large risks for states in terms of right to regulate/legislate

What is a “Non-Tariff Barrier”?

- It could be a direct or indirect subsidy viewed as favoring a country’s companies unfairly (example: solar tax rebates)
- It could be a permit fee viewed as excessive (example: casino or industrial plant licensing fee viewed as excessive)
- It could be a business regulation viewed as overly burdensome, unnecessary, duplicative or costly (example: product labeling beyond federal standards; COOL food labeling)

What is investor-state dispute settlement (ISDS)?

Proposed provisions allow corporations and subsidiaries based in member nations to sue governments directly for cash compensation in **closed-door arbitration tribunals**, either avoiding the courts altogether or double-dipping when they don't like the outcome of a court decision.

Environmental Issues Forum

- AGRICULTURAL PROCUREMENT, “BUY LOCAL,” PROMOTING SMALL FARMS
- GMO LABELING
- CHEMICAL & CONSUMER PRODUCTS POLICIES ON BOTH SIDES OF ATLANTIC
- DO NAFTA CHALLENGES AGAINST PROVINCIAL ENVIRONMENTAL RULES PREDICT OUR FUTURE?
- LONE PINE VERSUS QUEBEC FRACKING RULES
- RENEWABLE ENERGY OR FOSSIL FUEL: WHAT WILL TTIP FAVOR?

You, too, can be a “stakeholder”!



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