

Vermont Commission on International Trade and State Sovereignty

INTERNATIONAL TRADE BENEFITS TO VERMONT

- \$4.2 billion in exports, including agricultural products (2010)
- Additional exports of services
- 70,000 local jobs

BUT SPECIFIC PROVISIONS IN FREE TRADE AGREEMENTS CAN HARM VERMONT

- Agriculture (labeling requirements, dairy market)
- Environment (regulation of toxins, land use planning)
- Medicaid drug prices and choices
- State purchasing (“green” and “buy-local” requirements)
- Tobacco control

The Vermont Commission on International Trade & State Sovereignty was created in 2006 to:

- Assess the legal and economic impacts of trade agreements on state laws and regulations
- Provide Vermonters a forum to voice concerns regarding the impact of trade agreements
- Recommend to the Legislature, Governor, Congress and the U.S. Trade Representative how to ensure state benefits from trade without undermining state laws



**small
print in
free
trade
agreements
can overturn**

Vermont state

laws



*The Vermont Commission on
International Trade & State Sovereignty*

International Trade and Vermont

International Trade is the exchange of goods and services across international boundaries or territories.

Free Trade Agreements (FTAs) between countries regulate how goods and services are exchanged between countries.

FTAs may be bi-lateral—between two countries— or multi-lateral—between many countries.

The U.S. is a party to over 40 bilateral trade agreements and over 20 multi-lateral FTAs, including the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA).

FTAs create international standards for trade in goods and services, and for technical regulation and trade dispute resolution.

What are the Benefits of International Trade?

- Vermont exported over \$4.2 billion of commodities in 2010 and is **ranked first in the nation in per capita export of goods**.
- Vermonters also **export services** and engage in other trade not easily quantifiable in data.
- Studies estimate that international trade supports over **70,000 jobs** in Vermont.
- Approximately **50% of all Vermont commodities exports are to Canada**. The remainder of exports increasingly flow to countries throughout North and Central America, Asia, and Europe.
- **Dairy and other agricultural exports** play an increasingly significant role for Vermont farm producers and extend our **brand identity to new markets** throughout the world.

What are some Concerns of International Trade Agreements and State Sovereignty?

- FTA standards govern market access, technical regulation, trade discrimination, and many other areas, that are binding on states and can **limit or supersede state laws**.
- The entire FTA process lacks transparency and there is no opportunity for meaningful state participation.
- States are not authorized to directly participate when state laws are challenged by a foreign nation or company, and yet states can be liable for costs.
- Many FTA provisions can undermine laws that define Vermont's social identity, from environmental and land use regulations, to buy local and Made in Vermont labeling standards, to tobacco regulation.
- There remains uncertainty over whether the benefits of international trade are actually the product of FTAs.