

How does the Korea FTA measure up to the TRADE Act?

*The Trade Reform, Accountability, Development, and Employment (TRADE) Act,
sponsored by Rep. Michael Michaud (D-ME)*

Trade policies reforms in the TRADE Act:	Does the Korea FTA meet these standards?
<p>Investment rules: Foreign investors should not have greater rights than those provided in U.S. law, and our public interest laws should not be exposed to challenge by foreign investors in secret tribunals.</p>	<p>NO. The investment chapter still affords foreign investors greater rights than those enjoyed by U.S. investors. Not one word was changed in the Korea FTA’s foreign investor chapters that promote off-shoring, and subject our domestic environmental, zoning, health and other public interest policies to challenge by foreign investors in foreign tribunals. The Korea FTA also allows challenges by foreign investors in foreign tribunals of timber, mining, construction and other concession contracts with the U.S. federal government.</p>
<p>Service sector: Extreme deregulation of service sectors, such as seen with Enron in California, resulted in market crises. We must ensure the lessons learned nationally are also conveyed in future trade policy: Agreements must preserve the right for governments to maintain essential public services and regulate private sector services in the public interest.</p>	<p>NO. The Korea FTA will threaten the nearly 300 public enterprises remaining in Korea through a number of vague provisions that will likely result in numerous lawsuits to challenge their existence. Telecommunications provisions will certainly result in further concentration in ownership. A number of the financial reforms recently passed by the U.S. Congress could be undermined by the agreement.</p>
<p>Government procurement: Federal, state, and local governments’ ability to use procurement as a policy tool, including Buy American laws, environmental standards (such as recycled content), and purchasing preferences for small, minority or women-owned businesses, must be safeguarded.</p>	<p>NO. The Korea FTA procurement rules subject many common federal and state procurement policies to challenge in trade tribunals and directly forbid other common procurement policies. These procurement rules continue the NAFTA/CAFTA ban on anti-off-shoring and Buy America policies and expose U.S. renewable energy, recycled content and other environmental safety requirements to challenge.</p>
<p>Food safety: Food imports should only be allowed from countries that meet or surpass U.S. safety regulations.</p>	<p>NO. The amended text does not address limits on imported food safety and inspection. The Korea FTA still contain language requiring the United States to accept imported food that does not meet our safety standards.</p>

<p>Agriculture provisions: Agriculture texts should provide for adequate and stable returns for farmers, safe and affordable food for consumers, encourage conservation measures, provide fair treatment for agricultural workers, allow countries to protect themselves from dumping of cheap agriculture products, and preserve existing U.S. antitrust laws.</p>	<p>NO. The text does not address the problems in the NAFTA-style agriculture trade rules that have simultaneously undermined U.S. producers' ability to earn a fair price for their crops at home and in the global market place. Multinational grain trading and food processing companies have made enormous profits while farmers on both ends have been hurt. Continuing this model is projected to increase hunger; illicit drug cultivation; undocumented migration; and continue the race to the bottom for commodity prices, pitting farmer against farmer and country against country to see who can produce food the cheapest, regardless of standards on labor, the environment or food safety.</p>
<p>Access to medicines: Agreements cannot undermine the medicine-access rights provided in the 2001 WTO Doha Declaration on Public Health that the 2002 Fast Track authorization.</p>	<p>NO. While the amended text of these FTAs removes the most egregious, CAFTA-based, provisions limiting the access to affordable medicines, the text still includes NAFTA provisions that undermine the right to affordable medicines for poorer countries contained in the WTO's Doha Declaration.</p>
<p>Federalism: State and local governments must be able to participate in trade decisions that will affect them.</p>	<p>NO. State and local governments in the U.S. have not given their consent, yet their laws can be challenged through the Korea FTA.</p>
<p>Labor standards: Should be in the text of the agreement (not only the preamble) and have enforcement mechanisms at least as strong as commercial sections of the agreement.</p>	<p>NO. The pact's labor chapter includes the Bush administration's explicit ban on reference to the International Labor Organization's core Conventions.</p>

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