

Fast Track for Trade Deals Would Expand Privatization of Public Services

The United States is currently negotiating a series of massive trade agreements that could have disastrous consequences for public sector workers and public services.

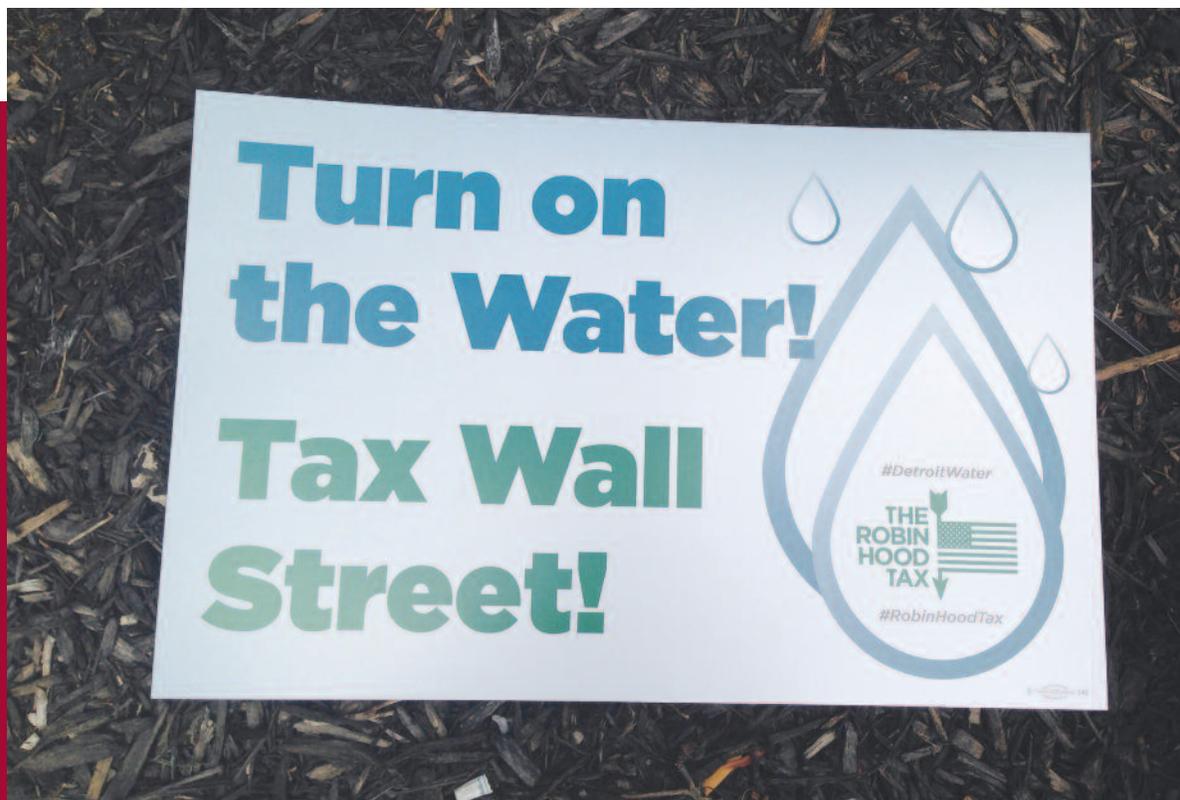
■ The Trans-Pacific Partnership (TPP) currently covers 12 countries that together account for nearly 40 percent of the global economy — the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

■ The Trans-Atlantic Trade and Investment Partnership (TTIP) between the U.S. and the European Union includes 28 member nations accounting for about 23% of the world economy.

■ The Trade in Services Agreement (TISA) covers 50 mostly developed countries including the U.S., the EU countries, Japan, Hong Kong, Norway and South Korea as well as a number of South American, Middle Eastern and Asian nations and accounts for more than two-thirds of global trade in services.

Fast Track authority means Congress would have to vote on the 1,200 page trade deal as written with almost no debate and no ability to amend it. Fast Track provides special rules and supersedes the normal congressional process by speeding everything up, requiring only a simple majority vote in the House and Senate, not the usual

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super majority required in the Senate for most legislation. Congress couldn't make important changes to TPP to enable citizens and nations to protect our jobs, environment and communities.

Locking-In Privatization and Deregulation

The TPP, TTIP and TISA agreements could transform public services by allowing multinational corporations into these services and limiting how governments can regulate the services they provide.

It's not surprising that these trade negotiations have been held in secret. What we do know is devastating:

■ **All Public Services Would Be Subject to Trade Rules.** Generally, current trade agreements exclude nearly all public services. Under these trade deals, transportation, water treatment, education, health care, corrections and other public services would be affected.

■ **Regulated Protections and Standards Will Be Undermined.** The agreements would restrict the ability of governments to establish new regulations, such as worker safety, consumer protections, or licensing requirements. Negotiators claim these kinds of public safety regulations limit competition and are a "barrier to entry" by foreign for-profit corporations.

■ **Privatization will be Expanded and Locked In.** TISA would bar governments from converting existing private services to publicly based, and would prevent governments from shifting privatized workers back to the public sector, even if it's shown that the privatization effort was a failure.

■ **Off-Shoring the Public Sector.** The "trade in cross border services" section of trade agreements forbids governments from requiring that a foreign firm set up a domestic operation to provide services. This would allow corporations in other countries to supply services to the U.S. without actually employing any U.S. workers.

How Trade Agreements Could Expand Privatization to Benefit Multinational Corporations

■ Municipal water systems would be vulnerable to companies like Veolia, a French-owned multinational and the largest water and wastewater privatization firm in the world. Veolia has a tainted history of doing business in the United States.

Burlingame and Richmond, Calif., sued Veolia for dumping tens of millions of gallons of untreated wastewater and sewage into San Francisco Bay, and Indianapolis sued Veolia for overcharging 250,000 residents.

If those local governments wanted to return their water systems to municipal control, Veolia likely could use the provisions of the trade agreements to challenge that effort.

Foreign Corporations Would Be Empowered to Undermine Democracy

In each of the three trade negotiations, the U.S. wants to include a process called Investor State Dispute Settlement. Under this process, foreign corporations can directly challenge governments – and receive millions of taxpayer dollars in compensation – if a law or regulation might affect the corporation's "expected future profits." These challenges would be heard in a secret tribunal by lawyers accountable to no one. Governments and citizens have no standing there.

Congress must reject Fast Track authority and ensure that these trade deals benefit all citizens, not just corporate ones.