



# ALLIANCE FOR DEMOCRACY

Joining Together to End Corporate Rule

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## **Why should your City or County Council or Town Meeting oppose the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership? Because the TPP and TTIP...**

### **...Are not really trade agreements.**

These are not the usual kind of trade agreement to lower tariff barriers to encourage trade. Rather, they give corporations the power to undercut our environmental, health, safety and labor laws and regulations.

### **...Violate our most fundamental principles of democracy.**

The TPP and TTIP include the same Investor-to-State (ISDS) rules as NAFTA, CAFTA (Central America Free Trade Agreement), and hundreds of other bi-lateral trade agreements. ISDS rules allow foreign corporations to sue signatory governments in secret trade tribunals, bypassing national courts, and challenge local, state and federal environmental, health, labor, and other laws as a “regulatory taking” of expected future profits. Multinationals have attacked natural resource policies, environmental protections, health and safety regulations and more.

Of the more than \$38 billion in the 17 pending claims under NAFTA, all challenge environmental, energy, financial, public health, land use and transportation regulations enacted at the local or state level. But towns, cities, counties, and states have no standing to participate in these suits no matter the potential impact. Tribunal decisions cannot be appealed in national courts, not even in the U.S. Supreme Court. This violates fundamental principles of democracy and justice.

If a corporation wins an ISDS case, taxpayers of the “losing” country foot the bill if the challenged law or regulation is not changed. More than \$430 million in compensation has already been paid to corporations in ISDS cases under NAFTA (North American Free Trade Agreement). Trade agreements that protect “investor rights” over the rights of “We the People” and our communities are about pre-empting democratic processes of local and state government.

### **...Have been negotiated in complete secrecy.**

Most of the text of these agreements remains secret. Congress had no access to the TPP text until members protested. They can only read the text in a guarded room and can’t take notes or discuss the text with other members or with citizens. We know the content of a few TPP Chapter because of leaks, though almost 600 mostly corporate lobbyists included in negotiations have access to the text. Some Chapters of TTIP have been leaked now as well.

### **...Make another financial crisis more likely that will impact local economies.**

These agreements limit our government’s ability to prevent another financial meltdown by making it difficult to regulate risky derivatives, new financial products, and other financial practices by “too big to fail” banks. As we know, the impact of the 2008 financial crisis on local economies, government revenues, and homeowners was disastrous and continues to slow economic recovery.

### **...Will likely impact city planning, a major function of city government.**

Under ISDS rules, foreign corporations that own land or want to build or conduct business in your municipality or county may challenge zoning and land-use laws passed by local government to protect environmentally sensitive areas and encourage sustainable development. Local government could face challenges to their ability to protect locally-owned business, limit sprawl, and to protect health and the environment by passing laws to exclude, limit or regulate polluting industries and business or those that over-use water or other local resources.

### **...Increase global warming and costly, devastating extreme weather events.**

These are climate-busting trade agreements that increase costly extreme weather events that devastate communities. There will be far less support for truly clean sustainable energy sources.

Many provisions will accelerate export of fracked gas, tar sands, and coal to Pacific Rim countries, and increase logging and mining. In Pacific Rim countries, the destruction of forests and needed agricultural land will continue for production of dirty bio-fuels used for carbon credits – a false solution to the climate crisis. With increased off-shore manufacturing in countries that use low-cost sweatshop

and slave labor, use cheap “dirty” fuels and have lax enforcement of environmental laws, air and sea transport around the Pacific Rim will accelerate adding to the carbon-footprint of the imported consumer goods.

Increased carbon means increased costs to taxpayers as local and state governments try to plan for global warming and extreme weather impacts. Increased fires, floods, violent storms, hurricanes and tornadoes have both the huge economic cost for emergency response, relief services and rebuilding, and the personal cost when property and lives are lost and communities torn asunder.

### **...Create a new regulatory bureaucracy that overrides local laws.**

The Regulatory Coherence Chapter of the TPP requires each country to create a new domestic bureaucratic structure “harmonize” all their agency and department regulations to the corporate-friendly, national regulatory framework. TTIP proposes a Regulatory Council that would sit above the European Parliament and the U.S. Congress. Thus, in signing TTIP, the U.S. President and Congress would be agreeing to abide by decisions made by this newly appointed TTIP supra-national trans-Atlantic body. This new regulatory body under the TPP and TTIP is unaccountable to our democratically elected representatives in local and state government and can override, “harmonize down,” local and state laws that protect communities, their residents and the local environment.

### **...Rob local government of the ability to protect local jobs and public health.**

Legal enforcement of the TPP and TTIP could invalidate municipal “Sweatshop Free” and “Buy Local” policies, robbing a municipality of jobs and worker protections. Challenges would also invalidate “Buy American” policies, thereby threatening American manufacturing and jobs.

Furthermore, laws to protect public health and the environment at all levels of government are open to challenge. The new “Regulatory” bureaucracy is mandated to oversee the “harmonization” with the trade agreement provisions that are set at the lowest possible level or even eliminated. This, coupled with the “investor rights” (ISDS) protections has a chilling effect on law-making in the public interest at all levels of government.

### **...Could inflate healthcare bills.**

As the Federal and various state governments are attempting to reduce the cost of medicine and drugs, American pharmaceutical corporations are writing rules in the TPP, and likely in TTIP, which would prevent the use of such policies. Even the AARP, which traditionally does not involve itself in discussion of trade rules, has written the President expressing concern about proposed rules which would increase lengths of patents, and limit or prevent governmental ability to negotiate or mandate lower drug prices in programs like Medicare, Medicaid and medical programs for veterans, seniors and the poor. In fact, pharmaceutical firms have lobbied on the TPP more than any other business.

### **...Expand global corporate rule by free trade agreement.**

Corporations have always been engaged in setting trade policy, but trade used to be about tariffs and the import and export of manufactured goods. TPP and TTIP are two new “free” trade agreements that have little to do with traditional trade in goods. They cover services: healthcare and medicines, education, media, the internet, energy, food safety, transportation, prisons and much more. **Because these agreements include protections for “investor rights,” they give corporations and the corporate, financial and political elite who support them unprecedented power to rule over “We, the People” and override democratic process and law-making at the local community level.**

**Join the “We Will Not Obey” movement to  
protect local sovereignty, democracy and community rights.  
Time for your city or town or county to pass a TPP-Free Zone Resolution.**