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October 6, 2011

Oppose the proposed FTAs with Colombia, Panama and South Korea

Dear Member of Congress:

On behalf of the Sierra Club's 1.4 million members and supporters we urge you to oppose the Free Trade Agreements with Colombia, Panama and South Korea.

Trade done the right way can foster development and economic growth while protecting workers and the environment here and abroad. Unfortunately the proposed FTAs fall far short of promoting a 21st Century model for trade that can deliver on this potential. In particular, the proposed Free Trade Agreement with Colombia poses serious concerns.

The rapid expansion of Colombia's palm oil production is causing both environmental harm and human rights abuses. Clearing land for palm oil plantations results in large scale deforestation and an increase in carbon pollution, as well as violence towards and displacement of indigenous people. The employment conditions in the palm oil industry are brutal and unpredictable and Colombia remains the most deadly nation in which to advocate for better working conditions. While the action plan includes some important steps in the right direction, the emphasis seems wrongly placed on moving a plan through before the end of the year – not on ensuring meaningful and lasting progress in Colombia.

In addition, similar to previous FTAs, the Investment Chapters of the proposed Free Trade Agreements provides foreign investors and corporations expansive rights to directly challenge public interest laws and regulations for compensation before international tribunals, bypassing domestic courts. Mexico and Canada have lost NAFTA challenges to environmental protections and the United States has spent millions defending itself against suits.

The Trade Act of 2002 clearly requires that foreign investors are not accorded greater substantive rights than those found in U.S. law. However, the proposed FTAs fail to meet this critical “no greater rights” test. Instead, they significantly raise the likelihood of more costly investor-state cases targeting U.S. laws and regulations. The agreement allows foreign investors to assert that environmental or public health measures constitute an “indirect expropriation” of their business interests or violate a “minimum standard of treatment” in a wide range of circumstances that would not be compensable in U.S. courts. We are also

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troubled that the FTAs allow foreign investors and corporations to bring suit over natural resource, services and infrastructure contracts with the federal government.

In the case of the South Korea FTA, we have special concerns with the fact that the agreement could have the impact of weakening South Korea's vehicle emissions standards.

Combined, these agreements fall far short of President Obama's promise of a "smart, fair and strong" trade policy that would create jobs and protect the environment, and we urge Members of Congress to oppose them.

Sincerely,

A handwritten signature in black ink that reads "Michael Brune". The signature is written in a cursive, slightly slanted style.

Michael Brune
Executive Director
Sierra Club