

Citizens Trade Campaign's Comments Concerning the Proposed U.S.-U.K. Trade Agreement

Docket Number: USTR-2018-0036

January 14, 2019

Thank you for the opportunity to comment on the proposed U.S.-United Kingdom (U.K.) Trade Agreement.

Citizens Trade Campaign (CTC) is a national coalition whose members include the American Federation of Teachers, Americans for Democratic Action, Communications Workers of America, Friends of the Earth U.S., Institute for Agriculture and Trade Policy, Interfaith Working Group on Trade and Investment, International Association of Machinists and Aerospace Workers, International Brotherhood of Boilermakers, International Brotherhood of Electrical Workers, International Brotherhood of Teamsters, International Union of Bricklayers and Allied Craftworkers, International Union of Painters and Allied Trades, National Family Farm Coalition, National Farmers Union, Public Citizen, Sierra Club, UNITE HERE, United Methodist Church General Board of Church and Society, United Brotherhood of Carpenters, United Mineworkers of America, United Steelworkers and Witness for Peace, as well as state-based coalitions, organizations and individuals throughout the United States.

Our coalition judges every trade agreement on the same basic criteria: does it contribute overall to a more just and sustainable global economy? Like any new pact, the potential exists for a U.S.-U.K. Trade Agreement to meet this most basic of goals, but to do so will require a significant change in direction from past trade and investment agreements.

From the outset, we urge the Office of the U.S. Trade Representative (USTR) to publish all draft proposals, negotiating texts, reports and supporting documents about the U.S.-U.K. Trade Agreement in as close to real-time as possible on an ongoing basis, so that our members and the general public all have the opportunity to scrutinize them and participate meaningfully in influencing the formative stages of this agreement.

Put simply, the lack of transparency surrounding earlier trade negotiations conducted by this and previous administrations must not be allowed to continue in any U.S.-U.K. Trade Agreement talks. Creating an open, participatory process from the start is the only way

that the public will have confidence that these negotiations are not rigged in favor of large corporate interests.

As to the substance of a U.S.-U.K. Trade Agreement, in order to create jobs, raise wages, protect the environment and promote public health in all countries involved, CTC asks that U.S. negotiators prioritize:

- ***Protection of food sovereignty.*** A U.S.-U.K. Trade Agreement must respect governments' ability to implement programs that ensure farmers and other food workers receive fair compensation, and that consumers have access to safe and affordable foods and the right to know where and under what conditions their food is produced. Likewise, nations must be able to protect themselves from dumping and other unfair trade practices that force farmers off their land.
- ***Joint action against climate change.*** A U.S.-U.K. Trade Agreement should require parties to adopt, maintain and implement conventions and policies that fulfill the Paris climate agreement and other climate measures, and must include mechanisms that ensure their swift and certain enforcement. Any pact must explicitly recognize the primacy of domestic and international climate policies over commercial rights, and the deal should tax imported products made under highly climate-polluting conditions.
- ***Improved consumer and environmental standards.*** A U.S.-U.K. Trade Agreement must set floors, rather than ceilings, when it comes to environmental, food and product safety and consumer right-to-know measures, and must in no way prohibit, limit or penalize communities for adopting policies based on the precautionary principle. Provisions aimed at "regulatory coherence" and annexes on chemicals, cosmetics and other matters must in no way slow or impede public policymaking in any country. A broad "carve-out" that exempts non-discriminatory domestic policies from all of the deal's rules should be included to provide a deterrent and early defense against future challenges.
- ***Access to affordable medicine.*** Maintaining access to affordable, generic medications is critical to reducing health care costs in the United States and to saving lives throughout the world. A U.S.-U.K. Trade Agreement would be an inappropriate vehicle for extending the length of drug patents. It should explicitly uphold the standards set forth in the Doha Declaration on access to medicine.
- ***Space for robust financial regulations and public services.*** A U.S.-U.K. Trade Agreement must in no way limit the regulation of banks, insurance companies, hedge funds and other financial service providers. Further, it should not allow for the non-regulation of any financial services or instruments, and must again set floors, rather than ceilings, when describing their regulation. The pact's broader services provisions must also contain clear and specific language stating that nothing in the agreement should be interpreted as requiring deregulation or privatization of any private or public service.
- ***Respect for local procurement policies.*** A U.S.-U.K. Trade Agreement must not impede governments from spending taxpayer funds in ways that prioritize local

development, environmental and social goals. The procurement provisions of an agreement must maintain existing “Buy American” preferences, as well as space for existing and potential future prevailing wage requirements, green preferences, sweat-free preferences, human rights preferences and policies designed to address long-standing inequalities.

- ***An end to investor-state dispute settlement.*** A U.S.-U.K. Trade Agreement must not elevate corporations to the level of governments when it comes to enforcement of the pact. The Investor-State Dispute Settlement (ISDS) system that allows panels of three private sector lawyers to order unlimited taxpayer compensation to firms that claim that a country’s policies undermine their expected future profits must be eliminated entirely. Nor should any “ISDS-lite” International Court System or similar proposal be adopted. International investment rules must also be revised to more narrowly define terms including “investment,” “expropriation” and “minimum standard of treatment” in order to safeguard the ability of governments to regulate in the public interest.
- ***Strong Rules of Origin.*** A U.S.-U.K. Trade Agreement must include strong Rules of Origin for cars, trucks and other products, as well as other measures to stop “transshipment.” These rules should not just include high national content requirements, but also high wage standards.
- ***Safeguards against currency manipulation.*** To ensure a fair playing field for American job creation, a U.S.-U.K. Trade Agreement must include strong, enforceable disciplines against currency manipulation and misalignment, along with a clear commitment to cooperate multilaterally to confront harmful currency manipulation and misalignment by trade partners around the world.
- ***Improved labor standards.*** A U.S.-U.K. Trade Agreement must include strong and binding labor standards explicitly based on the International Labor Organization (ILO) Conventions and their accompanying jurisprudence, as well as ongoing monitoring and swift and certain enforcement mechanisms. It should likewise remove barriers that could prevent labor enforcement action from being taken, such as those requiring that labor violations must be proven to be “in a manner affecting trade or investment” or that they be “sustained” or “reoccurring” before enforcement actions can be taken. The protection of labor rights and other human rights should be prioritized over commercial interests in all elements of U.S. trade policy.

Thank you for your consideration. For more information, please contact CTC executive director Arthur Stamoulis at info@citizenstrade.org.