

FTAA = NAFTA Expansion

Free Trade Area of the Americas = North American Free Trade Agreement Expansion

*factsheet provided by United for a Fair Economy

- * From 3 countries to 34 countries
- * From corporate rights to more rights for corporations
- * From industrial job losses to public sector job losses

Corporate Rights

Under NAFTA corporations gained the right to sue countries for potential profit losses.

Corporations are using their new rights not just to protect themselves, but to go on the offensive against environmental regulations that cut into their profits. *NAFTA changed the rules* by letting corporations sue for “anticipated lost profits.” This is imaginary money that a corporation says it could have made... if some law hadn’t been there.

One corporate lawsuit under NAFTA already pressured Canada’s government into repealing a ban on MMT, a suspected carcinogen. Canada was also forced to pay MMT’s manufacturer \$16 million. Now, another corporation is seeking \$970 million in damages because California is considering a ban on MTBE — a carcinogen that enters drinking water supplies.

An effect of these new corporate rights is that corporations can do end runs around democracy and effectively repeal laws without ever having to go to Congress.

Privatization of Public Services

Corporations could destroy or cherry-pick all public services.

The combination of new corporate rights and new trade rules is a potent one. The service industry, which is 70% of the US Gross National Product, is using that combination to break into huge potential markets such as water (\$1 trillion a year worldwide), education (\$2 trillion), and health care (\$3.5 trillion). To do so, they are using and abusing a trade rule called “*national treatment*.”

National treatment says that a government cannot discriminate against a foreign company. *The FTAA could change the rules* by applying this rule to public services like education. An educational company could say that publicly supported education is unfair competition to its own for-profit schools, and might sue the government directly.

An example of how this is happening already is United Parcel Service’s suit against the Canadian government for \$230 million. UPS is claiming that Canada’s publicly funded network of mailboxes and post office give Canada Post an unfair advantage. However, Canada Post serves every area, regardless of profitability. “Cherry Picking” means picking only the profitable areas and leaving the unprofitable (and more costly) areas for the public to fund (like rural areas). This is what UPS apparently intends to do.

