

Fact Sheet #1:

CHILE AND SINGAPORE AGREEMENTS REPEAT FAILURES OF NAFTA, DO NOT PROVIDE MODEL FOR FUTURE TRADE ACCORDS

The Free Trade Agreements (FTAs) recently concluded with Chile and Singapore largely replicate NAFTA, which has cost the U.S. hundreds of thousands of jobs, led to continuing violations of core labor standards, and resulted in numerous challenges to laws and regulations designed to protect the public interest. The agreements also fail to meet fully the negotiating objectives laid out by Congress in the Trade Act of 2002. These agreements are likely to lead to the same deteriorating trade balances, lost jobs, trampled rights, and inadequate economic development that NAFTA has created.

The labor provisions of the Chile and Singapore FTAs will not protect the core rights of workers, and represent a big step backwards from the Jordan FTA and our unilateral trade preference programs. The agreements' requirements that governments meet international standards on workers' rights are completely unenforceable, meaning that even rampant violations of the core labor standards cannot be taken to dispute resolution. The one commitment that can be taken to dispute resolution – the commitment to enforce domestic labor laws – is subject to remedies that are much weaker than those available for commercial disputes. This violates the key Congressional negotiating objective that equivalent remedies be available for all parts of a trade agreement.

The commercial provisions of the FTAs also deserve special Congressional scrutiny:

- The FTAs create entire new visa categories for the **temporary entry of professionals**, eroding basic protections for guest workers and the domestic labor market. These provisions were negotiated despite the lack of any Congressional negotiating objectives on temporary entry.
- Provisions on **investment, procurement, and services** constrain governments' ability to regulate in the public interest, pursue responsible procurement policies, and provide public services. Investment rules fail to ensure that foreign investors are granted no greater rights than domestic investors, violating Congressional negotiating objectives.
- **Intellectual property rules** reduce the flexibility available under WTO rules for governments to address public health crises. These rules violate the Congressional negotiating objective mandating respect for the Doha Declaration on access to medicines.
- **Rules of origin and safeguards provisions** invite producers to circumvent the intended beneficiaries of the trade agreements and fail to protect workers from the import surges that may result. The Singapore agreement's rules of origin grant benefits to products from two Indonesian islands that have no reciprocal obligations in terms of market access, workers' rights, or the environment.

The Chile and Singapore FTAs step backwards from existing trade agreements and the goals of the Trade Act of 2002. The agreements should be rejected, and a different model of fair and balanced trade should be followed in future agreements. The Chile and Singapore FTAs must not serve as the basis for the numerous new free trade agreements that USTR is now negotiating around the globe.