



SAVE OUR SERVICES

S.O.S. SERIES No. 2 - PROTECTING THE ENVIRONMENT

How new global "trade" talks threaten to accelerate environmental degradation

A global commercial agreement of unprecedented scope and power is currently being renegotiated behind closed doors. The agreement, the World Trade Organization's General Agreement on Trade in Services (GATS), could result in the privatization and deregulation of essential services. You can collect Public Citizen's whole S.O.S. Series at www.citizen.org/trade/wto/gats. For more info: gtwfield@citizen.org or 202-546-4996.

Bottom Line: Expanding the WTO GATS agreement and expanding NAFTA would make it increasingly difficult for governments to regulate and limit multinational investment in service activities such as oil exploration and drilling, forestry, electricity generation, waste disposal, water collection and extraction, transport and travel, which are already causing environmental damage around the world.

Key provisions of the GATS, NAFTA expansion, and proposed new rules would result in the following:

- Governments, including local or state governments, could be prohibited from setting limits on the size or quantity of service operations, including environmentally harmful operations such as oil rigs and pipelines, water extraction, garbage incineration and hotel or road construction. GATS Article XVI forbids such limits in a committed sector. Thus, the United States could be forced to let a foreign energy corporation build an unlimited number of oil rigs, pump an unlimited amount of oil or be required to eliminate environmental restrictions on the size or operating capacity of the company's waste disposal operations, including landfills and incinerators.
- Governments could be required to prove to secretive international trade tribunals that every federal, state and local environmental law and regulation is both "necessary" and the "least burdensome" to multinational service corporations if these regulations are challenged as barriers to trade and investment in the WTO. Complying with such constraints on regulatory actions is an almost impossible feat given that corporations and the Bush administration are advocating industry "self-regulation" and voluntary guidelines in lieu of binding governmental regulation.
- Governments could be required to let foreign corporations violate environmental policies domestic companies must meet if a foreign operator stands at a competitive disadvantage due to such an environmental policy. This is true even if the environmental standard was intended to treat all service operations similarly and is the most effective way to protect the environment. For instance, requirements that producers be responsible for recycling waste or collecting toxics or that a percentage of electricity be produced from environmentally friendly energy sources could be found to "discriminate" in effect against another country's service corporations.
- In addition, the GATS reverses fifty years of trade policy because it lacks any provision giving countries an exception from the rules in order to protect exhaustible natural resources. That kind of exception is even included in the WTO's agreement on goods (GATT).