



1600 20th Street, NW • Washington, D.C. 20009 • 202/588-1000 • www.citizen.org

For Immediate Release:
April 20, 2012

Contact: Arden Manning (202)454-5108

Announcement of Flawed Investment Rules Show Agenda Motivating Obama Trade Talks

Statement of Lori Wallach, Public Citizen

Instead of the reforms promised by candidate Obama, the Obama administration's 'new' Model Bilateral Investment Treaty released today is the same in all major respects as the deeply flawed 'old' Model Bilateral Investment Treaty (BIT) and the investment chapters of U.S. free trade agreements.

Like the old U.S. investment model, the new text will allow companies to challenge public interest regulations outside of domestic court systems before tribunals of three private sector trade attorneys operating under minimal to no conflict of interest rules. These arbitrators can order governments to pay corporations unlimited taxpayer-funded compensation for having to comply with policies that affect their future expected profits, and with which domestic investors have to comply.

By revealing a fundamentally unchanged BIT (after pushing three Bush trade deals in 2011 based on the same flawed model), the administration is exposing the anti-public interest agenda motivating the nine-nation Trans-Pacific Partnership trade talks. In those negotiations, countries like Australia (who have been attacked in BITs by Philip Morris over their plain packaging tobacco policies) have criticized the U.S. model of investment rules.

At a time when multinationals like Chevron are using BITs to evade justice and get out of environmental remediation obligations, it is unthinkable that an Obama administration – post BP oil spill, post Wall Street crash – would privilege the rich at the expense of the 99 percent.

###