

# Corporate-Rigged Trade Policy Is a Secret Killer of Climate Justice



Creating effective policies to address the climate crisis is essential to our survival. Corporate-rigged “free trade” agreements – like the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) – obstruct action to combat the climate crisis. The collision between “trade” and climate policies has undermined two critical goals: fighting climate change and enacting policies that create green jobs. These agreements give heavily polluting corporations new powers and rights to attack the policies that governments enact to fight climate change. The pacts also incentivize the concentration of production in low-wage nations with weak pollution standards. This results in the outsourcing of jobs and pollution, unlivable wages and unhealthy communities. It also increases long-distance shipping, a significant contributor to carbon emissions.

## How to Avoid the Planetary Heat and Stop the Trade-Pact Chill

- **Trade-pact terms that allow corporations or other governments to attack climate-related policies as “illegal trade barriers” must be eliminated:** Today’s “trade” agreements grant rights to multinational corporations to sue governments before a panel of three corporate lawyers. These lawyers can award the corporations unlimited sums to be paid by taxpayers, including for the loss of expected future profits, on claims that a nation’s climate and environmental policies violate the special rights the pacts grant them. Oil and gas firms have collected billions using this regime to attack many countries’ energy policies. The WTO recently ruled that U.S. states’ and India’s solar energy promotion policies are illegal trade barriers and previously ruled against the U.S. automobile fuel efficiency standards. In the revised NAFTA, the right for corporations to attack our laws has been largely eliminated. But some U.S. oil and gas firms got a loophole in the pact to preserve their rights to attack Mexican environmental laws. ***We must put an end to the corporate power grab known as the Investor-State Dispute Settlement (ISDS) system and eliminate terms that allow governments to attack each other’s climate policies.***
- **All trade agreements must include strong environmental standards with swift and certain enforcement:** The WTO, NAFTA and other free trade agreements altogether fail to mention the words “climate change,” much less address the social, economic and national security challenges presented by climate change. The pacts also forbid countries from treating different types of energy differently based on how polluting they are. ***The United States should not enact new trade deals that fail to require countries to meet the terms of international environmental agreements, including the Paris Climate Treaty, and existing agreements should be modified to ensure that nothing in their terms limits climate action or prevents the United States from rejoining the Paris Treaty.***

People and the planet have suffered under corporate-rigged trade rules for decades. More than one million U.S. jobs have been government-certified as lost just to NAFTA. Manufacturing wages in Mexico are down since NAFTA and 40% lower than in China, while U.S. firms dump toxins with impunity. And under U.S. free trade agreements, corporations have collected almost \$400 million in ISDS attacks on countries’ domestic policies.

***Failed U.S. trade policies that have dramatically boosted corporate power and harmed workers, consumers and the environment require a complete transformation.*** That is key to fighting climate change for the future of America’s rising generations. Today, more than ever, we must fight for a new trade model that reduces pollution and corporate power and boosts wages.

**We need a Green New Deal for the world, not more corporate-rigged trade deals.**

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