

CAFTA and the Environment

U.S.-based Harken Energy Company wanted to exploit oil off the coast of Costa Rica, a country known for its long history of democracy as well as its pristine natural parks and natural resources. But the Costa Rican government denied the permit because the oil exploration would negatively impact Costa Rica's environment. Harken attempted to sue the government for \$57 billion – more than the country's entire GDP. The case was eventually settled in local courts. But if CAFTA is approved, Harken would have the right to sue the Costa Rican government for expropriation. Then the Costa Rican people would be left with two options: let Harken drill for oil, or pay them potential lost future profits.

For decades, governments have worked together through the United Nations to develop agreements to protect the natural resources of our shared planet. Unfortunately, so-called “free trade agreements” threaten to erode many of the advances in global environmental protection, endangering our planet and the natural resources necessary to support life. The North American Free Trade Agreement (NAFTA) was written to prioritize rights for corporations over protections for our shared environment.

But rather than being repealed, corporate interests are negotiating the expansion of these corporate rights. The U.S.-Dominican Republic-Central American Free Trade Agreement (CAFTA), soon to go before Congress, and the proposed Free Trade Area of the Americas (FTAA), currently in negotiations, are modeled on NAFTA.

These new agreements threaten global biodiversity, would accelerate the spread of genetically engineered (GE) crops, increase natural resource exploitation, further degrade some of the most critical environmental regions on the planet, and erode the public's ability to protect our planet for future generations.

No Protections for the Environment

Neither CAFTA nor the FTAA require member countries to adopt internationally recognized standards for environmental protection. Nor does either agreement ensure that member countries don't lower or waive their existing environmental laws in an effort to attract investment. What's more, rules in CAFTA and the FTAA would actually prohibit member countries from enacting many



new environmental regulations, allowing those regulations to be challenged as “barriers to trade.” This strips the public from a fundamental democratic right to pass laws that protect our environment in favor of corporations' “right” to profit from environmental destruction.

Mega-Diverse Countries

Latin America is one of the most biologically and culturally diverse regions on the planet. Four of the five Central American countries included in CAFTA have tropical areas that have been identified as “critical regions” for their biodiversity. Additionally, 7 of the world's 12 “megadiverse” countries, (Mexico, Brazil, Venezuela, Peru, Ecuador, Costa Rica and Colombia) are found in the Americas. “Mega-diversity” countries represent the majority of the world's biodiversity and surviving Indigenous peoples, the true guardians of biodiversity. Unfortunately, so-called “free trade” agreements directly contradict important international legislation designed to protect the rights of Indigenous peoples and biodiversity, like International Labor Organization Convention 169 and the Convention on Biological Diversity.

Piracy of Global Biodiversity

In the last decade, the biodiversity of the Americas has been targeted by “life science” corporations (the growing consolidation of pharmaceutical, agrichemical and seed companies) in search of “green gold.” These corporations are pillaging humankind's patrimony of traditional knowledge and biodiversity to create and patent drugs and agricultural products to sell for profit. The quest to patent life forms, especially medicinal plants and crops, threatens our food security, access to healthcare, and the biological and cultural diversity of the Americas.

Intellectual property rules in CAFTA and the FTAA would require that member countries grant protections to the patenting of life forms. This would facilitate a massive increase in “bioprospecting” or the practice of corporations patenting Indigenous communities' knowledge of plants and then profiting from that knowledge – while forcing Indigenous communities to pay for what they had previously held in common.

No GE Food Labeling

Despite the fact that independent polls in virtually every country on the planet demonstrate that people want genetically-engineered (GE) foods labeled, corporations and the U.S. government have

refused to do so. Giant agribusiness multinationals ADM and Cargill have generally refused to segregate GE from non-GE crops, eliminating consumer choice and imposing GE foods on consumers. With CAFTA and the FTAA, labeling laws would be prohibited as “more burdensome than necessary” for agribusiness investors.

More GE Contamination

Dozens of crops have been developed and domesticated in the Americas over the last 10,000 years, including corn and potatoes, two of the world’s most important crops for food security. The traditional cradles of food diversity are threatened by encroaching genetic contamination. The experience of Mexico under NAFTA offers an example of what’s to come for Central America under CAFTA. NAFTA forced open protected Mexican corn markets to a flood of cheap imports of corn from the U.S. Corn imports into Mexico have displaced at least one and a half million farmers and are steadily eroding the genetic diversity of thousands of native corn varieties. Then, in September 2001, genetic contamination of native corn varieties was discovered as a result of the introduction of artificially low-priced GE corn from the United States under NAFTA. The expansion of GE crops threatens food security around the world. CAFTA and the FTAA completely disregard international law, such as the Cartagena Protocol on Biosafety, designed to regulate the cultivation and trade of genetically modified organisms.

A Bill of Rights for Corporations?

While limiting public regulation for environmental protections, CAFTA and the FTAA would grant expansive powers to corporations. CAFTA’s investor protections are modeled after one of the most hotly contested sections in NAFTA—its Chapter 11—a virtual Bill of Rights for corporations. These provisions allow corporations to sue governments for “damages” if a government law affects their profits. Chapter 11 of NAFTA has undermined the sovereignty of democratically elected governments, and their ability to act in the public interest. An issue over a Quebec environmental law banning specific pesticides reveals how these provisions undermine environmental protection.

Quebec law bans a popular weed killer called 2,4-D, which is considered a possible human carcinogen, and has been shown to adversely affect the immune system and reproductive functions in humans, among other impacts. But now a corporate lobbying group representing some of the makers of the pesticide are threatening to challenge the law by suing the Canadian government under NAFTA’s Chapter 11. The provincial government of Quebec and Canadian taxpayers have been given a harsh choice: pay the corporations millions of dollars in future lost profits, or repeal the law. Similar Chapter 11 cases have led to the overturn of environmental laws and millions of dollars in fines paid to corporations. If CAFTA is enacted, investor-to-state lawsuits will be spread to the corporations of six additional countries, threatening critical environmental protection in the U.S. and Central America.

Increasing Our Dependency on Oil

Increasing trade increases our consumption of and dependency on oil, which has created a massive global crisis of human-induced climate change. The rise of global temperatures means more severe droughts and floods that will literally change the face of the Earth; the loss of coastal lands and the destruction of forests; an increase in heat waves and other human health hazards; and the extinction of plant and animal species. Our consumption of oil also leads to violations of the human rights of peoples in oil-producing countries such as Ecuador, Colombia, Indonesia, and Nigeria, who suffer environmental health problems, displacement, and contamination of their communities. Increased trade – and hence dependence on oil – will also contribute to global insecurity by providing further incentive for the drive towards war as the U.S. government struggles for control over this most strategic global resource.

Environmentalists Oppose CAFTA

Most environmental organizations in the U.S. have written letters to the U.S. Trade Representative and members of the U.S. Congress, voicing their opposition to CAFTA. Groups as diverse as Center for International Environmental Law, Defenders of Wildlife, Earthjustice, Friends of the Earth, League of Conservation Voters, National Environmental Trust, Natural Resources Defense Council, National Wildlife Federation, the Sierra Club, and U.S. PIRG have sounded out a warning about CAFTA’s negative potential impact on our shared environment. And in Central America, over 800 social organizations – including many environmental groups – signed a petition in July of 2004 urging the U.S. Congress to reject CAFTA.

We Can Stop CAFTA

“Free trade” agreements are generally little more than code words for corporate expansion across the globe at the expense of communities and our environment. CAFTA may be sent to Congress for approval this year. But we can stop CAFTA from being approved—and instead work for global trade agreements that protect our planet for generations to come.

For more information:

Sierra Club: www.sierraclub.org

Friends of the Earth: www.foe.org

GET INVOLVED!!

***SPEAK OUT** to your Member of Congress and urge them to vote NO on CAFTA. Find helpful resources and more ideas at www.globalexchange.org.

***CONTACT** us at trade@globalexchange.org to sign up for our weekly listserv or for more information.