



Testimony before Congressman Keith Ellison and Congressman Rick Nolan
Trade Field Hearing
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My name is Juliette Majot. I am president of the Institute for Agriculture and Trade Policy. I'd like to thank Congressman Ellison and Congressman Nolan for convening this field hearing. IATP is headquartered here in Minneapolis, and we also have staff in Washington D.C. IATP has been working to democratize trade negotiations for more than two decades, publishing and distributing negotiating texts (received from outside the U.S.) whenever we can, along with analyses to help inform a public debate on the impacts of trade on our societies, economies and food systems. We are at a crucial moment in this debate. For U.S. trade policy to be well-informed and credible to our citizens, it is vital to open the discussion up to the public as broadly as possible.

Unfortunately, the administration's proposal for Fast Track Trade Promotion Authority would do just the opposite. It would keep a tight lid on the essential information required for public debate about not just the Trans Pacific Partnership agreement (TPP), but also about the Transatlantic Trade and Investment Partnership agreement (TTIP) and trade policy more generally. The U.S. Trade Representative claims of transparency in trade negotiations are disingenuous. USTR meetings with public interest organizations and even members of Congress are largely run as "listening" sessions, with little concrete information on the actual substance of the USTR's negotiating proposals. Listening is not transparency.

USTR's denial to Members of Congress of the right to take notes on draft negotiating texts and to have Congressional staff advise them on the content of those draft texts unreasonably limits the right of Congress to know the content of trade and investment agreements before they are finalized. Approval of Fast Track denies Congress the right to amend a final negotiating text that it cannot carefully analyze before Fast Track requires a yea or nay vote. Fast Track, by design, is a crippling of democratic process that will serve only the corporate interests represented in the USTR advisory committees.

A different approach is entirely possible. The President should authorize USTR to release all of its draft negotiating proposals within 30 days after they have been discussed with trade negotiating partners. In effect, the President and USTR would be following the precedent set by the European Commission on January 7 of this year to enable the European Parliament and the public to evaluate the terms of trade and investment agreements negotiated with public funds.

Congress should agree on a transparent and democratic process that gives it the authority to approve trade negotiating objectives prior to the beginning of negotiations and certify that USTR had met those objectives prior to the conclusions of negotiations for each and every trade and investment agreement. Hundreds of civil society groups across the country have backed this approach.

I'd like to talk for a moment about provisions within the Trans Pacific Partnership that would threaten rural economies and our environment. A leaked draft of the chapter on Investor State Dispute Settlement shows that USTR intends to make U.S. federal and sub-federal laws, regulations and judicial rulings subject to decisions made by ISDS tribunals. These trade lawyer tribunals have none of the due process requirements of U.S. public law, and can use evidence presented as Confidential Business Information to challenge U.S. laws and force multi-million dollar payouts to foreign investors who claim that their anticipated benefits under the TPP have been "impaired" by U.S. laws. Congress should demand that USTR present trade and investment agreements without ISDS chapters. IATP sincerely thanks Congressmen Ellison and Nolan for cosponsoring HR 967, a bill introduced last week that would prohibit the president from entering into free trade agreements or investment treaties that include investor-state dispute settlement provisions.

USTR is demanding that TPP members reduce greatly or eliminate import tariffs on agricultural goods. USTR and agribusiness exporters claim that tariff elimination will increase U.S. farm incomes. However, U.S. farmers do not export directly; they do so indirectly, selling to agribusinesses, currently at prices well below the cost of production. USDA estimates that 2015 U.S. farm income will be about 43 percent below the record highs of 2013. Selling more grains, oilseeds and livestock to agribusiness exporters at prices below the cost of production will not make U.S. producers profitable. U.S. agricultural policy must become less export-dependent, not only to enable farmers to benefit from above cost of production prices, but to enable adaptation of agriculture's natural resource base to climate change.

As we understand it, all U.S. regulations would be vulnerable to a TPP "early warning system" against any and all regulations that industry finds "burdensome" or costly. In essence, TPP and other trade agreements currently under negotiation would prevent or weaken regulations by setting in place new procedural hurdles to regulation. For example, regulations designed to prevent a reoccurrence of the financial service industry fiasco of 2008 could be thwarted by the cost-benefit analyses multi-lateralized through TPP and enforced by the ISDS. It perhaps goes without saying that the banks that received at least \$29 trillion in Federal Reserve Bank emergency loans from 2007-2010 are fiercely resisting measures to require the private sector to pay for the damages resulting from deregulation and/or massive regulatory exemptions, exclusions and waivers. In other words, the public would again have to bail out Wall Street and its TPP member branches and affiliates.

A different approach to trade policy is entirely possible, if Congress has the political will and seeks public input to fight for that approach. We thank you for your work against Fast Track and potentially damaging free trade agreements and for a new approach to trade policy that puts human rights, food sovereignty and local economies above corporate demands.

Thank you,



Juliette Majot