

Colombia FTA: Background on Investor Rights

Foreign Investor Rights = Loss of American Sovereignty

- The Colombia FTA includes virtually the same foreign investor rights found in NAFTA and CAFTA, allowing outside corporations to use closed trade tribunals to privately enforce an extreme set of investor rights by directly suing the United States.
- NAFTA has already generated "regulatory takings" cases against responsible land use decisions, environmental safety initiatives, and public health policies. These adverse rulings would not have been possible in U.S. courts. The Colombia FTA will allow for the same.
- The investment chapter of this agreement also provides incentives for U.S. companies to offshore jobs, outsource work, and leave the United States.
- Foreign investors based in Colombia can challenge our U.S. state and local laws in foreign courts, and demand compensation if our laws undermine their corporate profits. This allows foreign companies, for example, to challenge any "Buy America" state laws and local ordinances.
- The Colombia FTA, like other trade agreements, threatens the majority decisions made by our local representative government bodies. These FTAs are a direct assault on our democratic institutions, and result in a real loss of local government authority.
- Most environmental, consumer and labor groups argued these investment provisions would need to be removed to avoid active opposition.

New Language Does Not Address These Core Problems

- The Colombia FTA ignores calls to change foreign investor provisions that remain almost word-for-word identical to the language found in CAFTA.
- Newly inserted provisions dealing with labor and environmental issues are positive steps forward, but are also entirely dependent upon President Bush and the Executive Branch for enforcement.
- The current administration, with a consistent record of undermining domestic labor and environmental regulations, is unlikely to enforce any labor and environmental provisions of the Colombia Agreement. All future enforcement of the new provisions will rely on similar discretion by future Presidents.
- The Colombia FTA text ignores limits on imported food safety and inspection, and still contains language requiring the United States to accept imported food that does not meet our safety standards.
- This pact still includes provisions that allow foreign investors to demand taxpayer-funded compensation for any governmental action – including a virtually limitless range of common policies used to protect the environment or worker rights – which could affect an investor's expected future profits.