



Free trade and water

Maine Fair Trade Campaign



When a town signs a contract with a multi-national corporation (like some of the bottling companies pumping water in Maine) the corporation qualifies as an investor under the rules of **international trade agreements** like NAFTA and the World Trade Organization. This changes everything. What could happen?

Free trade agreements contain “**investor-rights**” that give foreign investors greater privileges than domestic companies. These investor rights give foreign companies the ability to challenge laws or policies it doesn't like, claiming they are “barriers to trade.”

If a company or country decides to challenge a regulation or policy, the case wouldn't be heard in Maine but rather by an international **trade tribunal behind closed doors**.

State sovereignty is undermined by free trade agreements. These provisions are handcuffing state legislators and preventing important health, safety, and environmental laws.

Water is global commodity being traded across borders. Many parts of the world and the U.S. are facing serious water shortages, and there is a growing world water crisis. Maine has significant resources of clean water.

Talking points:

- Maine's water resources should be governed by the people of our state, and water regulations should not be subject to challenge by a foreign investor under international free trade agreements.
- Water, as a good or as distribution services, should be **carved out** of international trade agreements and the WTO agreements GATT and GATS.
- Municipalities, states, or countries should not be forced to privatize their water utilities under international financial policies.
- If there are disputes between a company and a town or the state, it should be heard in domestic courts, not an secret trade tribunal.

What Maine can do:

- Maine should pursue a **high level of investment disclosure** so municipalities and the state know which international trade agreements could apply before signing a contract.
- The Maine Legislature should pass a resolution calling for a **complete carve-out of water** from all free trade and investment agreements, specifically the GATS.
- Our state should require that any conflict between a foreign corporation and the State be heard in **domestic courts**, not a foreign tribunal.