

CPATH ♦ Center for Policy Analysis on Trade and Health

Bringing a Public Health Voice to Trade and Sustainable Development

**U.S. – Oman FTA Undermines Public Health:
Threats to Affordable Medicines, Tobacco Control and Public Health Continue as
USTR Stonewalls Public Health Representation on Advisory Committees**
June, 2006

The U.S.-Oman FTA would lock in important threats to public health and health care. Many of these provisions are already matters of controversy within the World Trade Organization (WTO). These provisions should not be approved in the Oman FTA, and should not stand as precedents for future trade agreements.

Public Health Concerns

1. The Oman FTA was negotiated without representation from health care and public health. Industries sitting on Advisory Committees to the U.S. Trade Representative include tobacco, alcohol, pharmaceuticals, health insurance, and processed foods. The USTR continues to stonewall on calls from Congress and the public health community to appoint representatives to these Committees on critical health concerns. No impact assessments are conducted on trade in health services.

2. The Oman FTA strengthens “intellectual property” rules that preempt the production and humanitarian distribution of affordable lifesaving medicines. In its Advisory Committee report, the pharmaceutical industry and allies hailed the Oman agreement for including rules that extend the length of time drugs are covered by patent protections, and that preclude fair market competition from generic companies that could lower prices. The Committee wished “to underscore the importance that it attaches to a close working relationship between [this Committee] and industry, on the one hand, and U.S. negotiators, on the other, in ensuring that the model FTA intellectual property text, which has been carefully developed through the course of negotiation of eight prior FTAs, continues to form the basis for...other agreements.”

Millions with HIV/AIDS cannot get affordable, life-saving medications due to the WTO's TRIPS agreement, which props up prices for drug companies. At the same time, many US residents can't afford needed drugs. The Oman FTA would place a stranglehold on needed reforms in drug pricing, and in research and development.

3. The FTA would eliminate tobacco tariffs that now effectively control the use of deadly tobacco products in Oman. Oman has a high 100% tariff on tobacco products now. The FTA would bar Oman from raising its tariff higher. To the contrary, the 100% duty is required to be phased out for US tobacco exports in ten years.

4. Investor-state rules pit health and human rights against the rights of private foreign corporations. Measures that protect health have been successfully challenged under the investors' rights provisions of similar trade agreements, that permit private corporations to sue governments directly. For example, under the North American Free Trade Agreement (NAFTA): 1) The US Metalclad Company successfully sued Mexico for \$16 million when Mexico refused to reopen a toxic waste dump that would contaminate people and the environment. 2) A Canadian tobacco company is challenging the Master Settlement Agreement on tobacco.

5. The Oman FTA's controversial rules on "domestic regulation" undermine the authority of public officials to protect health standards: professional licensing, environmental and occupational health, alcohol and tobacco protections, privacy rules, patients' rights, water and safety, and building codes. State and local health regulations cannot be "more burdensome than necessary" to trade under this FTA.

6. The Oman FTA can reduce access to vital services including health care, water supply and sanitation, education, and energy. By covering health care and other services under trade rules, the Oman FTA would facilitate privatization of these services, making them less affordable and less publicly accountable. While health is universally recognized as a human right, it may become a market commodity if trade agreements do not protect affordable universal access to health care.

Reframing the Trade Debate to Prioritize Health

The Call for Public Health Accountability in International Trade Agreements asks Congress and the USTR to take the following steps to prioritize health in international trade negotiations:

1. Assure that health is not pitted against commercial interests.
2. Include public health representatives in the negotiating advisory process, and promote transparency and democratic accountability at all levels of trade negotiations.
3. Call for an assessment of the impact of trade agreements on population health, and assure based on such assessment that these agreements do not have an adverse impact on health.
4. Exclude from trade negotiations and challenge under trade agreements: vital human services such as health care and water; intellectual property rules that affect affordable medications; and protection from tobacco, alcohol and other harmful substances.
5. Support enforceable commitments to advancing population health, and to achieving universal access to health care, affordable medications, and safe, affordable water in the U.S. and internationally.