

**TALKING POINTS ON US-SINGAPORE FREE TRADE AGREEMENT: The Bush Administration Sticking It to Democrats by Flaunting “Jordan Test” and Fast Track Requirements**

**LABOR AND ENVIRONMENT**

It fails “Jordan Test” on labor and environment by rolling back on several key elements.

- **No parity of enforcement** between labor and environmental and other measures. Labor and environment get set limits on fines while “commercial” terms get sanctions.
- **Does not require signatories to adopt and enforce core International Labor Organization (ILO) labor standards.** (This is no small matter as Singapore’s dictatorship does not allow independent labor unions and the Indonesian islands included under the pact are rife with brutality against workers.)
- Only one enforceable labor or environmental standard: to enforce existing standards. Jordan language on not lowering standards removed and nothing requiring establishment of standards.

It fails Fast Track negotiating objective on labor and environment requiring equivalent enforcement of all provisions including labor and environment.

The agreement’s “Integrated Sourcing Initiative” (ISI) allows products produced in the Indonesian islands of Bintan and Batam to be treated as if they were of Singaporean origin for benefits under the agreement. However, neither Indonesia nor Singapore would be required to assume any of the obligations of the agreement with respect to production in those islands.

**INVESTMENT**

It fails to repair the significant problems of NAFTA’s “Chapter 11” while adding dangerous new limits on the use of capital controls during economic crisis.

- It includes investor-to-state private corporate enforcement of regulatory takings protections using the term “measures equivalent to” instead of “measures tantamount to” indirect expropriation.
- It goes beyond NAFTA into the Multilateral Agreement on Investment (MAI) mode to include an ABSOLUTE BAN on all performance requirements in signatory countries, including vis a vis investors from non-signatory countries!
- It fails the “no greater rights” language in Fast Track stating that foreign investors should not be provided rights in international commercial pacts that go beyond those provided by the U.S. constitution to U.S. companies and citizens. This Free Trade Agreement (FTA) fails that test because it contains vague, circular language guaranteeing a Minimum Standard of Treatment for foreign investors as well as outrageous language creating regulatory takings compensation for foreign investors.
- It contains language submitting any limitations on transfers of currency and investments to investor-to-state claims for cash compensation. This goes beyond NAFTA’s extensive language on transfers. Under NAFTA a country was allowed to use short term currency controls in a burden of payments crisis. The Singapore agreement removes this exception, a move which has generated attacks from the pro-free-trade *The Economist*, the *Financial Times* and Columbia Professor Jagdish Bhagwati.

- This FTA's definition of investment is even broader than NAFTA's - like the failed MAI, the definition includes "every asset owned or controlled, directly or indirectly" and lists stocks, derivatives, real estate, intellectual property rights, permits and contracts and more.

### **INTELLECTUAL PROPERTY**

This agreement threatens consumers' access to affordable medicine with patent rules that go beyond NAFTA's tough terms and which contradict even the mild Fast Track negotiating objective established in the "Kennedy Amendment" calling for all future pacts to conform with the 2001 Doha World Trade Organization (WTO) Declaration on Public Health and Trade Related Intellectual Property Rights (TRIPS).

- The grounds for allowing use of compulsory licensing is much narrower than in the WTO TRIPS agreement or in NAFTA (only anti-competitive practices or national emergency).
- Outrageously, the agreement requires that compulsory licensees pay the full market price of the drug to obtain production rights, meaning consumer price cuts are eliminated.
- This pact allows consecutive (not overlapping as in US law) five year data exclusivity grants which effectively operate as a patent extension because it means that data necessary for generic production is not available to gear up for when the patent sunsets.
- Unlike the WTO, this agreement does not allow countries to refuse to patent life forms, human cells and plant and animal varieties - countries must provide such patents in their domestic laws.

### **TEMPORARY ENTRY**

The pact establishes a dangerous precedent of rewriting U.S. immigration law via trade agreement by creating a new category of temporary entry visas which do not include some existing U.S. labor market safeguards and which are indefinitely renewable.

- While U.S. unemployment skyrockets, the pact creates a indefinitely renewable one year visa available to 5400 service sector workers per year with a B.A. (Current H-1B visas are for a set term and are only renewable once.)
- The labor market safeguards (a strike is not being busted, no U.S. workers are available, etc.) are not a condition of this visa.

### **SERVICES**

The pact includes a NAFTA-style top-down services agreement - meaning all sectors are covered unless an exception is negotiated.

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