



# Undermining Local Democracy: Fast Track, the TPP and Your Community

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While communities across the United States fight against the negative effects of expanded fracking for natural gas, the White House is negotiating a secret trade deal with 12 Pacific Rim countries that could undermine those efforts. Local efforts to put in place bans and other measures as well as local efforts to fight liquefied natural gas (LNG) export terminals could be overturned or become vulnerable to challenge under the proposed trade deal.

Congress is considering giving “fast track” authority to the administration that would speed up this trade deal. If Congress approves fast track, it could not amend the Trans-Pacific Partnership (TPP) to protect the right of local communities to pass laws that protect their families and environment.

The TPP would accelerate efforts to export LNG to member countries like Japan, already the world’s largest LNG importer. In 2011, Japan imported nearly 80 metric tons of LNG — about a third of the global imports.<sup>1</sup>

Leaked documents revealed that the TPP would give foreign companies the right to sue federal, state and local governments that enacted safeguards that the companies didn’t like.<sup>2</sup> This “NAFTA on steroids” TPP provision would allow foreign corporations to sue for monetary damages at international trade tribunals if local rules infringed on their investment rights and profits.<sup>3</sup> Companies that won their suits could get local laws overturned and reap taxpayer-financed windfalls, and even the threat of these suits could prevent local governments from enacting commonsense environmental and consumer protections.

Many U.S. jurisdictions have passed bans and measures to stop or limit fracking,<sup>4</sup> but the TPP would allow oil and gas companies to challenge these local laws and force localities to overturn these safeguards. This gives the companies permission to drill and frack for shale gas or to unravel measures to curb U.S. LNG exports. This is not a hypothetical problem. In 2012, a U.S. oil and gas development company

announced that it intended to sue a Québec town for \$250 million over its fracking moratorium under NAFTA’s investor-to-state provisions.<sup>5</sup>

Ask your Representative and Senators to oppose fast track. To take action, visit: <http://www.foodandwaterwatch.org/global/global-trade/tpp-and-tafta-free-trade-with-a-high-price>

## Endnotes

- 1 International Gas Union. *World Gas Report 2011*. 2012 at 11.
- 2 Wallach, Lori. Public Citizen. Washington Joint Legislative Committee on Trade Policy. “TPP Presentation.” November 2012 at 7 to 13, 21 and 22; Wallach, Lori. “NAFTA on Steroids.” *The Nation*. July 2012.
- 3 Baker, Dean. “The Trade Deal Scam.” *Truth Out*. June 12, 2013; Wallach, November 2012 at 7 to 13, 21 and 22; Wallach, July 2012.
- 4 See Food & Water Watch, Fracking Action Center, Local Actions Against Fracking, at <http://www.foodandwaterwatch.org/water/fracking/fracking-action-center/local-action-documents/>.
- 5 Lone Pine Resources, Inc. Notice of Intent to Submit a Claim to Arbitration Under Chapter Eleven of the North American Free Trade Agreement. November 8, 2012 at 1 to 4 and 16; Lone Pine Resources, Inc. U.S. Securities and Exchange Commission. Form 10-K. December 31, 2012 at Cover and 48 and 49; Lone Pine Resources, Inc. [News Release]. Long Pine Resources Submits NAFTA Notice of Intent in Response to Expropriation of Rights in Quebec. November 15, 2012; The Parliament of Quebec. Bill 18 (2011, chapter 13) An Act to limit oil and gas activities.

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