



## Time for a Trade Reset

For more than two decades, corporate trade deals like the North American Free Trade Agreement (NAFTA) have harmed communities by undermining environmental protections, eliminating jobs, increasing air and water pollution, eroding wages, and fueling climate change. These deals have increased the power and profits of multinational corporations at the expense of people and our planet.

But now public opposition to these corporate deals has reached unprecedented heights. Indeed, an international, multi-sector movement recently succeeded in derailing the Trans-Pacific Partnership (TPP), after fighting for six years against the TPP's threats to workers, communities, and the environment.

The question now is: What should come next? What, for example, should replace NAFTA?

We expect that trade policy will be a major priority of the Trump administration, which has pledged, for example, to renegotiate NAFTA. But, Trump's trade agenda will surely not be based in concern for workers, communities, and our climate.

**Want to learn more?** Check out our [discussion paper](#) on what climate-friendly trade could look like.

**Want to offer input?** We welcome your ideas for a trade reset at [climate-friendly-trade@sierraclub.org](mailto:climate-friendly-trade@sierraclub.org).

This means that now more than ever, *we* must define a fundamentally different approach to trade — one that's rooted in fighting inequality, respecting workers' rights, fostering healthy communities, and seeking climate justice.

### **Climate-Friendly Trade: People and Planet over Profits**

Achieving a progressive vision for trade will require overhauling many aspects of the corporate trade model. That includes moving from polluter-friendly deals to ones that support tackling climate change.

The template for trade deals like NAFTA and the TPP was written decades ago under the advisement of fossil fuel and other corporations. These deals serve one function: to boost corporate profits. They seek to maximize trade and investment even if the goods traded or the investments protected spell more climate pollution. They even empower corporations to sue governments in private trade tribunals over climate and other protections that affect corporate bottom lines.

To build a new approach to trade that supports - not undermines - climate action, we must turn the status quo model on its head. We start from a simple premise that is fundamentally at odds with the status quo: Trade and investment should be treated as tools for advancing human priorities - not ends in and of themselves.

New trade deals, including any NAFTA replacement, should encourage trade and investment that support a more stable climate, healthy communities, and good jobs, while discouraging trade and investment that do the opposite.

### **Three Climate-Friendly Changes**

A Sierra Club [discussion paper](#) offers 15 proposals for how to bring decades-old trade rules, found in pacts like NAFTA, into alignment with today's climate imperatives. These proposals, which could be incorporated into new or renegotiated trade agreements, seek to fulfill three core goals:

**1. Changing trade rules to protect climate policies:** Trade rules that conflict with climate action should be eliminated to allow communities and governments to advance bold climate protections without fear of being challenged in trade tribunals.

- Our proposal would not allow corporations to sue governments in private tribunals over climate policies - or any policies.
- Another proposal would require the U.S., India, and all countries to stop attacking each other's "buy local" renewable energy policies at the World Trade Organization.
- We also propose a straightforward provision stating that whenever trade rules clash with climate policies, the climate policies win.

**2. Using trade rules to increase climate protections:** Trade pacts should establish a floor of climate protection among trade partners to avoid a race to the bottom in climate standards.

- While status-quo deals like the TPP and NAFTA don't even mention the words "climate change," tomorrow's trade agreements should require enforcement of international climate commitments, elimination of fossil fuel subsidies, and financing for renewable energy investments.
- Under this new model, if a government or corporation failed to live up to its climate responsibilities, the communities most affected by climate change could seek justice before a panel of climate experts.

**3. Mitigating the climate impacts of trade:** We need to reduce climate pollution from trade itself.

- A climate-friendly trade model should encourage trade in goods that support the public interest, but discourage trade in climate-polluting fossil fuels.
- Trade pacts also should tackle climate pollution from shipping — we propose a new way to do so.
- And to ensure that a country's climate protections don't offshore jobs or climate emissions, trade agreements should include taxes on imported goods made under highly climate-polluting conditions.

### **What Are Your Ideas for a Trade Reset?**

These proposals, and others detailed in our [discussion paper](#), will be further refined as we continue to collect feedback on what climate-friendly trade policies could look like. We look forward to working with our grassroots and our partners to stitch these climate-focused ideas into a broader proposal for a new approach to trade that promotes good jobs, healthy communities, and a livable planet.

Please help us build a new trade model by sending your input to [climate-friendly-trade@sierraclub.org](mailto:climate-friendly-trade@sierraclub.org).