

July 23, 2024

Ambassador Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Tai,

As faith organizations and religious communities ministering throughout the Americas, we urge you to please take full advantage of the ongoing Americas Partnership for Economic Prosperity (APEP) dialogues, and other opportunities that present themselves, to advocate for the removal of Investor-State Dispute Settlement (ISDS) mechanisms from existing trade and investment agreements.

We live in a time of deep inequality in the U.S. and around the globe driven in part by past trade policy. These trade and investment agreements incentivized a race to the bottom in which companies shifted jobs outside of countries with strong labor and human rights standards to countries with lower standards, allowing for the exploitation of workers to maximize profits. Likewise, these agreements have enabled companies to pollute land, water and air in low-wealth communities and communities of color in the United States and around the world. The crisis of economic inequality and environmental destruction is linked. We must combat poverty, and at the same time, protect our fragile earth.

The ISDS system has taken this trend a step further by establishing special rights for transnational corporations and ultra-wealthy individuals. It empowers those investing across borders to challenge nations' laws, regulations, permitting decisions and even court decisions as alleged violations of trade and investment rules via complaints that circumvent domestic judicial systems and are instead heard in binding international arbitration. The special rights granted to corporations and millionaires within ISDS extend far beyond the rights held by citizens and residents to challenge national policies with which they disagree.

Our faith tradition teaches that the economy should serve the people, particularly those in poverty, as well as protect and preserve creation for future generations. Policies, like the Investor State Dispute System (ISDS), that prioritize corporate interests over the protection of worker safety, human rights and health, and environmental standards do not belong in trade agreements. We call for the complete elimination of ISDS, and all policies that give unjust advantage to corporations to avoid responsibility for these harms.

Across many years and in numerous countries, we have repeatedly witnessed how ISDS cases can be used to attack and punish governments for embracing policies that prioritize healthy communities and sustainable development at the perceived expense of narrow corporate interests. ISDS tribunals have already awarded corporations over USD 33 billion in suits against Latin American and Caribbean countries involving mining pollution, water quality, toxics controls, consumer safety and other public interest policies. And, today, a staggering USD 1.5 trillion in ISDS claims are currently pending in the region.

We call on APEP countries and other governments to defend against attacks on their democratic sovereignty by working together to eliminate ISDS from all existing pacts. Doing so would also help to safeguard the budgets of developing countries — some of whom have faced single ISDS claims that represent a significant percentage of their entire gross domestic products. Crucially, ISDS elimination would also better enable the locally-enacted development programs, environmental improvement measures, and human rights policies that are needed to help uplift communities everywhere.

We specifically ask that you please propose and/or voice support for the creation of a working group within APEP that is tasked with establishing cross-border proposals for eliminating ISDS from the Western Hemisphere. We understand that sustainable investment in the region is already one broad goal for the APEP forum. Eliminating the ongoing threats posed by ISDS is a topic that deserves its own working group within that broad agenda.

Sincerely,

Maryknoll Office for Global Concerns
NETWORK Lobby for Catholic Social Justice
Sisters of Mercy of the Americas Justice Team
The United Methodist Church — General Board of Church and Society
Presbyterian Church (USA) Office of Public Witness
Franciscan Action Network
Interfaith Power & Light
United Church of Christ
Pax Christi International
Pax Christi USA
Pax Christi Metro DC-Baltimore
Sisters of Charity of Nazareth Western Province Leadership
Sisters of Charity of Nazareth Congregational Leadership
Dominican Sisters of Peace
Mennonite Central Committee U.S.
Unitarian Universalists for a Just Economic Community
St. Vincent de Paul
Benedictines for Peace
Passionist Solidarity Network

Ohio Sisters Justice Network
Medical Mission Sisters, Justice Office
US Federation of the Sisters of St. Joseph\
Dominican Sisters ~ Grand Rapids
School Sisters of Notre Dame Collective Investment Fund
Hope Border Institute
Franciscan Peace Center, Clinton, Iowa
Roman Union Ursulines of the USA
Dominican Sisters of Houston
Sisters of Sint Francis Rochester Minnesota
School Sisters of Notre Dame, CP Shalom Office
Sisters of St. Joseph of Orange
WHEATON FRANCISCAN SISTERS JPIC Office
Religious Sisters of Charity
Sisters of St. Francis, Clinton, Iowa
InterReligious Task Force on Central America