



Asbestos and World Trade

2011 National Asbestos Meeting
Denver, CO

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National Conference of State Legislatures



General Agreement on Trade and Tariffs (GATT) World Trade Organization (WTO)

- Established in 1948
- “New” GATT created in 1994 during the Uruguay round which established the WTO
- Multi-national agreement among 123 countries
- sets the basic rules for international trade



World Trade Agreement

- Created in the Uruguay GATT Round Agreement with 134 member countries
- Intended to strengthen GATT and eliminate barriers to international commerce
- Provides a forum for trade negotiations
- Provides a mechanism for handling trade disputes
- Administers WTO trade agreements



North American Free Trade Agreement (NAFTA)

- Implementation began on January 1, 1994
- Eliminated all nontariff barriers to trade between the U.S. and Mexico
- Eliminated some tariffs immediately and phased some out over the following 5 to 15 years



WTO TBT

Canada v. EC?

- Canada challenged France's ban on asbestos
 - *European Communities - Measures Affecting the Prohibition of Asbestos and Asbestos Products*
- Technical Barriers to Trade Agreement
 - Are chrysotile fibres the same as other cancer-causing materials? Are they non-friable?
- US regulates, but does not ban asbestos



WTO TBT

Canada v. EC?

- **WTO Dispute Resolution sided with France**
 - retained the right to prohibit certain products
- Although it has ceased to sell to the EU, Canada still exports asbestos to many developing nations



International Agreements

Rotterdam Convention

- 5th Conference of the Parties to the Rotterdam Convention
- chrysotile asbestos on the Convention's list of hazardous substances
 - Substances on the list cannot be exported to another country without the Prior Informed Consent of that country



Brazil v. US Cotton

- Brazil challenged US Cotton subsidies as a violation of WTO
- Subsidies provide direct support to US Cotton which provides an unfair competitive advantage
- US must pay \$147 m in additional tariffs to Brazil or remove subsidies



Brazil v. US Cotton

- Bush; Obama choose to pay the \$147 m annually to Brazil
- 2011 Agricultural Appropriation removed the \$147 m payment, forcing the US (i.e., Congress) to remove Cotton subsidies
 - All rural Congressional districts went to Republicans in 2010; 2012 beware?



What States Can do

- Equal Treatment - treat foreign business the same as domestic business
- No standards or regulations that may be considered “trade barriers.”
- No state tax breaks or procurement requirements for domestic business
- Review health, environment and safety bills and statutes to determine barriers



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What States Can do

- State legislatures must maintain an accurate legislative history of state laws and regulations, particularly those that could have an impact on trade or that are especially important to the health, safety, and well-being of the population, such as sanitary and phytosanitary measures.
- State legislatures and attorneys general should complete a systematic review of their laws to identify inconsistencies and seek grandfathering provisions.



What States Can do

- The U.S. Trade Representative must keep states apprised of deadlines and communicate with the states.
- Organizations representing the states must continue to monitor international agreements to ensure state interests are represented.
- State liaisons must ensure that affected agencies and officeholders within their state know of deadlines



Globalization, Trade and Environmental Public Health

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