

API Member Companies' Free Trade Principles

API members support free trade agreements (FTA), investment agreements, World Trade Organization (WTO) and General Agreement on Tariffs and Trade (GATT) rules that enshrine these key principles:

- **Tariff reduction and elimination** in the trade of crude oil and gas, refined products, equipment and other goods and services supporting exploration, production, manufacturing (refining) and marketing of hydrocarbons.
- **Liberalized trade of all oil, natural gas and derived products**, including crude oil, gas, liquefied natural gas (LNG) and all refined products and petrochemicals or other energy intensive manufactured goods reliant on natural gas.
- **Liberalized trade of all products essential to oil and natural gas industry integrated supply chains.**
- **Market access – national treatment afforded to foreign investors** in domestic markets, without exceptions.
- **Investment protections, including strong Investor-State Dispute Settlement (ISDS) provisions**, with coverage of investment agreements, that provides for fair and equitable treatment of investments; full protection and security of investments; rules that restrict expropriation of investments and that provide for prompt, adequate and effective compensation when expropriation does occur; provisions that provide for disputes to be decided in a neutral forum; and limits on the use of performance requirements.
- **Co-existence clauses** that preserve the strongest investment protections and free trade provisions among overlapping agreements between parties.
- **Intellectual property rules** that accord with the norms of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- **Rules of Origin** that are clear and that promote competitiveness:
 - Retaining **open cross-border data flows**.
 - Retaining **competitive and transparent bidding** for project approvals and operational licenses and **sourcing** of labor and materials.
 - Allowing for **product-specific rules**, such as one allowing for “diluent” (a lubricant added to crude oil) in cross-border pipeline transit of oil.
- **Trade Remedy Measures consistent with Article VI of GATT**, which states that “dumping, by which products of one country are introduced into the commerce of another country at less than the normal value of the products, is to be condemned if it causes or threatens material injury to an established industry in the territory of a contracting party or materially retards the establishment of a domestic industry.”