

Article notes

Citizen Trade Policy Commission

Articles from October, November and December 2015

Fast Track Timeline for TPP;*(Institute for Agriculture and Trade Policy, November 2015)-*

This basic timeline illustrates the 3 phases of Fast Track approval for the TPP:

1. President's timeline- the earliest that the President can sign the TPP is 2/3/16;
2. In Between the President and Congress- a minimum of 30 days after the President signs the TPP before it is submitted to Congress; and
3. Congress' Timeline- Congress has a maximum of 90 days to vote on the TPP

The Trans-Pacific Partnership Trade Accord Explained; *(NY Times, 10/5/15)* – This article provides a basic description of the TPP and what some of the major issues of contention have been.

TPP Text Needs Further Work After Japan; Release Not Expected For Weeks; *(Daily News, 10/29/15)*- From the perspective of early October 2015, the article reports that due to drafting and legal review issues, the TPP text is not anticipated to be released until sometime after Thanksgiving of 2015.

State's Leadership on Healthy Food and Farming at Risk Under Proposed Trade Deals; *(Institute for Agriculture and Trade Policy, November 2015)*- This brief article, authored by CTPC member Sharon A. Treat, discusses the several ways in which state agriculture policy could be threatened by the proposed TPP and TTIP. The threats identified in the article include regulatory cooperation; food labeling laws could be challenged as technical barriers to trade and the challenge to state laws presented by ISDS.

The Trans-Pacific Partnership: Overall U.S. Benefits; *(USTR; November 2015)*- This summary document lists the benefits to the U.S. of the TPP. Major highlights include:

- The elimination of over 18,000 different taxes on Made-In America exports;
- The strongest worker protections of any previous free trade agreements;
- The strongest environmental protections of any previous free trade agreements;
- Small businesses will benefit from global trade; and
- E-commerce, open internet and digital freedom will be protected.

Trans-Pacific Partnership- Maine: Supporting Made-In-America Exports and Jobs; *(International Trade Administration, Department of Commerce; October 2015)*- This summary document expounds on the benefits which Maine will enjoy from the TPP. These benefits include:

- The elimination of all foreign import taxes on industrial and consumer goods which include:

- Information and communication technologies;
- Fish and fish products;
- Health products;
- Transportation equipment; and
- Forest products.
- Additional access to new international markets;
- Increased savings and competitiveness for Maine businesses; and
- Promotion of fairness and American values through strengthened environment and labor protections.

Ag groups largely positive about TPP text; (Politico, 11/5/15)- This article reports that many agricultural trade and commodity groups are tentatively pleased with the TPP. In particular, many of these organizations are in favor of aspects of the TPP which:

- New tools to handle disputes over animal and product safety;
- Clearer biotechnology policies; and
- Better market access for beef and pork products.

Business Coalition Urges Congress To Subject TPP Deal To Close Scrutiny; (Inside US Trade; 11/5/15)- This article reports that the TPP Coalition , which is made up of agriculture, manufacturing, information and communications technology, merchandising, processing, retailing and servicing organizations, has urged Congress to carefully consider the TPP in its entirety. The article makes it clear that the TPP Coalition has not endorsed the TPP at this point and that ultimately the coalition members are likely to differ on their final conclusions about the TPP.

Labor Reform in Vietnam, Tied to Pacific Trade Deal, Depends on Hanoi's Follow-Up; (NY Times, 11/5/15)- This article reports that a side deal to the TPP specifies that Vietnam will pass laws to allow independent unions to form, allow them to strike and to seek help from established unions in the US.

Poliquin's Statement on the Release of the TPP Text; (Congressman Bruce Poliquin; 11/5/15)- This press release from Maine Congressman Bruce Poliquin states his belief that the full text of the TPP needs to be released and carefully reviewed by members of Congress. The press release also contains a copy of a letter sent by the Congressman to President Obama stating these beliefs.

Trans-Pacific Partnership Text Released, Waving Green Flag for Debate; (NY Times, 11/5/15)- This article reports on the release of the complete TPP text and discusses the likely political divide that will ensue regarding whether to approve the agreement or not. The article reports that left leaning factions, including many members of the President's own party will oppose approval and that the President is likely to have to rely on Republican support in Congress to secure approval of the agreement.

How the five most contentious issues in Obama's big trade deal turned out; (Washington Post, 11/6/15) – This article reports on how five of the most controversial issues in the TPP actually turned out:

1. **Intellectual property protection**- In general, the TPP provides strong copyright and patent protections;
2. **Investor-State Dispute Settlement (ISDS)**- There are conflicting opinions on the treatment of ISDS in the TPP. Advocates claim that ISDS has been modified to promote transparency, allows frivolous suits to be thrown out, excludes tobacco products from the ISDS process and protects governments' ability to regulate policy areas like health, safety and the environment. Critics maintain that the changes are less than substantive and that the process still undermines the ability of a government to regulate effectively.
3. **Labor and human rights provisions**- The TPP extends provisions of other recent FTAs which:
 - a. Allow labor unions to form and operate freely;
 - b. Eliminate forced and child labor; and
 - c. Prohibits employment discrimination

Labor and human rights groups like the language but are concerned about enforcement issues.

4. **Environmental provisions**- Like the labor and human rights provisions, the TPP is seen as containing improved environmental provisions but many environmental organizations are skeptical about effective enforcement of these provisions.
5. **Currency**- The TPP did not directly address currency manipulation but does include a side agreement requiring more transparency when a country decides to devalue its currency.

How Obama's Trade Deal Might Stir Up Your Dinner; (NPR, 11/8/15)- This story reports on how some of the provisions of the TPP might significantly affect the food that we eat:

- **Food safety**- The TPP may provide countries with new opportunities to claim that food safety laws are, in effect, barriers to trade;
- **GMOS**- The TPP appears to contain flexibility for countries to regulate “products of biotechnology” but there remains considerable doubt as to how this authority translates into practice;
- **Dairy, Meat and Booze**- Because the TPP eliminates more than 18,000 tariffs, international access to food markets is likely to result in cheaper prices; and
- **Labeling Issues**- The TPP allows for latitude in labeling requirements but also requires consistency for domestic and foreign food products.

230-235 House votes for TPP; (Politico, 11/10/15)- This article reports that as of early November, there were approximately 230 to 235 votes in the House of Representatives for approval of the TPP.

TPP's clauses that let Australia be sued are weapons of legal destruction, says lawyer; (The Guardian, 11/10/15)- This article reports on the contention of the Chairman of a leading arbitration firm that the use of ISDS in the TPP continues to pose a significant threat to the sovereignty of Australia and other member nations of the TPP.

Benton protester at it again, opposing Trans-Pacific Partnership outside New Balance; (Centralmaine.com, 11/11/15)- This news story reports on the protest against the TPP conducted by Kim Cormier, resident of Benton and member of the Occupy Augusta movement, against the TPP. Ms. Cormier is quoted as saying that “*The Trans-Pacific Partnership is the dirtiest trade deal that no one has ever heard of... It’s been negotiated in secret for about four years and Congress just got the full text recently, Obama supports — it’s like a death knell — like NAFTA times 10.*”

Congress should give TPP a thumbs up; (Boston Globe, 11/11/15)- In this opinion piece, the author Jeffrey Frankel, urges support for the TPP and maintains that the agreement contains many desirable provisions including the establishment of US-like rules on the environment and public safety, “cracking down” on human trafficking in Malaysia and allowing the formation of independent labor unions.

The TPP SPS chapter :not “a model for the rest of the world”; (Institute for Agriculture and Trade Policy, 11/12/15)- This advocacy piece, authored by Steve Suppan, argues that despite claims from the USTR that the TPP chapter on Sanitary and Phytosanitary (SPS) measures should be considered as a model for the rest of the world, that the SPS chapter is modeled on current US model of market access as opposed to risk assessments for public safety and the environment. Mr. Suppan advocates for a very close reading of the SPS chapter and a precise understanding of what its provisions actually accomplish.

Froman Seeks ITC TPP Analysis As Soon As Possible In Request Letter; (Inside US Trade, 11/12/15) – This article reports that USTR Michael Froman has formally requested that the International Trade Commission initiate a required study and analysis of the TPP that will be submitted no later than May of 2016. This statutory deadline conflicts with the earliest possible signing of the TPP by President Obama which could take place on February 3, 2016.

US State legislators ‘shocked’ by EU trade deal implications; (ttip2015.eu, 11/12/15)- This blog piece reports on the negative reactions of state legislators in Vermont and that of CTPC member Sharon A. Treat, regarding the possible implications of ISDS and the procurement and regulatory cooperation chapters in the TTIP.

As Obama heads to Malaysia, human trafficking stance questioned; (Reuters, 11/19/15)- This article discusses Malaysia’s comparatively poor record on human trafficking and how it is

alleged that the Obama administration has manipulated its own ranking process to give Malaysia a more favorable rating which would allow it to participate in the TPP.

Investors have controversial new rights to sue countries. Here's why this matters for the U.S.; (*Washington Post, 11/30/15*) – This article discusses the ISDS process and its inclusion in the TPP. The author, Rachel Wellhausen, provides a number of reasons why ISDS is disadvantageous for the US:

- ISDS does not do what is supposed to do- ISDS is supposed to be used in developing nations with less stability to encourage companies may want to do business in a sovereign entity. In fact, foreign countries benefit from foreign investment rendering ISDS as largely unnecessary;
- Countries that get sued lose future investment and rethink regulations- ISDS has a downside for all countries in that it allows investors to sue any of them thereby discouraging future investment in countries that have been sued; and
- ISDS does not get the US government off the hook for American firms' disputes- The political controversy that often occurs when an American company sues another country tends to create difficult political situations which the US then has to try to resolve.

SUMMARY OF KEY ISSUES IN THE TRANS-PACIFIC PARTNERSHIP (TPP) AGREEMENT; (*Sharon Anglin Treat, 12/1/15*) – This article, authored by CTPC member Sharon A. Treat, provides her opinion on how a number of important topics turned out in the TPP:

- The TPP has a relative lack of transparency and accountability;
- The TPP needs to be carefully reviewed to determine whether the US will experience a net loss or gain in jobs as well as the net gain(loss) for imports and exports;
- Many environmental organizations contend that the TPP chapters on environmental protections are relatively weak;
- With regards to healthcare and pharmaceutical costs, the TPP creates new monopoly rights for certain pharmaceuticals which will keep prices relatively high and creates opportunities for pharmaceutical companies to enter into legal challenges regarding regulations that attempt to reduce the price of pharmaceuticals;
- The TPP significantly weakens procurement procedures and regulations which have allowed governments to use procurement contracts to buy local;
- The TPP has effectively used the lowest common denominator approach to establish regulatory standards which will lower food safety standards in many countries;
- The TPP makes extensive use of technical barriers to trade standards to weaken food labeling and consumer protection regulatory measures; and
- The use of ISDS in the TPP poses a significant threat to domestic policy laws and regulations. However, the exclusion of tobacco products from the ISDS process is a modest improvement in the TPP.

AFL-CIO's 10 CRITICAL PROBLEMS WITH THE TPP; (AFL-CIO, November 2015)- This web posting from the AFL-CIO lists the largest concerns of that labor organization with the TPP:

1. The TPP allows currency-manipulating countries to kill U.S. jobs.
2. The TPP lets foreign corporations bypass U.S. law.
3. The TPP allows climate change to go unchecked.
4. The TPP doesn't strengthen international labor rights protections.
5. The TPP could allow public services to be permanently outsourced.
6. The TPP allows foreign state-owned enterprises to continue to undermine small business.
7. The TPP's weak rules of origin benefit China and other non-TPP countries.
8. The TPP takes America out of "Buy American."
9. The TPP gives global banks even more power.
10. The TPP makes affordable medicines harder to find.

Chamber Policy Panel Recommends TPP Support, But Hints At Need For Changes; (Inside US Trade, 12/1/15)- This article reports that the U.S. Chamber of Commerce is moving closer to endorsing the TPP but is likely to recommend certain changes. In addition, significant members of the Chamber such as tobacco companies, pharmaceutical corporations, financial services providers and the Ford Motor Company have indicated their opposition to the TPP while other major companies have indicated their support for the TPP.

UNITED STATES INTERNATIONAL TRADE COMMISSION public hearing announcement; (USITC, 12/2/15)- The USITC issued this announcement of a public hearing to gather public comment on "Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors." The USITC hearing will be held in the main hearing room at 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on Wednesday, January 13, 2016.

WTO Authorizes Over \$1 Billion in Sanctions Unless U.S. Guts Popular Country-of-Origin Meat Labels, Disproving Obama Claim That Trade Pacts Can't Undermine Public Interest Policies; (citizen.org, 12/7/15)- This press release reports that the WTO has imposed a more than \$1 billion annual trade sanction on the US unless its current regulations regarding country of origin meat labeling are repealed. The press release goes on to make the point that this action on the part of the WTO effectively refutes President Obama's assertion that FTAs do not require any country to change their laws.

The TPP's Investment Chapter: Entrenching, rather than reforming, a flawed system; (Columbia Center on Sustainable Investment, CCSI Policy Paper, November 2105)- This lengthy policy analysis of the use of ISDS in the TPP holds that while the use of ISDS in the TPP represents some improvements, the ISDS mechanism is still fatally flawed by stating: "At their core, ISDS and investor protections in treaties establish a privileged and powerful mechanism for foreign investors to bring claims against governments that fundamentally affect how domestic law is developed, interpreted and applied, and sideline the roles of domestic individuals and institutions in shaping and applying public norms."

Secret TPP Text Unveiled: It's Worse than We Thought; (AFL-CIO, Machinists Union, Sierra Club, Food and Water Watch, Public Citizen, Public Citizen's Global Trade Watch, Public Citizen's Access to Medicines program; November 2015)- This lengthy document, authored by a number of public interest and labor organizations, holds that an analysis of the recently released TPP shows many significant flaws which include:

- The TPP would make it easier for corporations to offshore American jobs;
- The TPP would push down our wages by throwing Americans into competition with Vietnamese workers making less than 65 cents an hour;
- The TPP would flood the United States with unsafe imported food;
- The deal would raise our medicine prices, giving big pharmaceutical corporations new monopoly rights to keep lower cost generics drugs off the market; and
- The TPP includes countries notorious for severe violations of human rights, but the term "human rights" does not appear in the 5,600 pages of the TPP text.

How the TPP Will Affect You and Your Digital Rights; (Electronic Frontier Foundation, 12/8/15)- This article maintains that the TPP is harmful to the preservation of digital rights. The author, Maira Sutton, asserts that by excluding large constituencies from the negotiating process that the TPP will significantly reduce digital rights for many segments of society which include:

- General audience
 - Excessive copyright terms
 - Loss of autonomy and control over legally purchased devices;
 - Prohibited use of copyrighted material in personal videos.
- Innovators and Business Owners
 - Digital Rights management (DRM) can significantly hinder innovative business development
- Libraries, Archives and Museums
 - Excessive copyright terms will decrease availability of all creative works in the public domain
- Students
 - Excessive copyright terms will decrease availability of all creative works in the public domain
- Impacts on Online Privacy and Digital Security
 - Reduced security and privacy
- Website Owners
 - Reduced flexibility to display copyrighted materials- even if legally permitted
- Gamers
 - Reduced flexibility for online sharing and streaming
- Artists
 - Loss of flexibility in creative works for new projects
- Journalists

- Increased penalties for disclosing corporate “trade secrets” even for corporate instances of wrongdoing
- People with Sensory Disabilities
 - No digital exceptions from regulations