

MAIN MESSAGE:

The TPP is a massive deal written behind closed doors that would lead to job loss and lower wages in America, the rollback of environmental and health regulations worldwide, and higher drug prices and reduced access to lifesaving medicine. Modeled after other failed trade agreements like NAFTA, the TPP is a race to the bottom, designed to benefit global corporations, where Americans will be forced to compete with Vietnamese workers making fifty-six cents an hour and countries with lax environmental standards.

SUPPORTING POINTS:

- **TPP means fewer jobs and lower wages for American workers.** The Administration has refused to include provisions to address currency manipulation and unfair trade practices; the deal has weak rules of origin on autos and auto parts, which would mean cars and parts with high Chinese content; and it fails to level the playing field in terms of state-owned enterprises, and lacks strong and enforceable labor and environmental standards.
- The results of NAFTA are crystal clear - **devastating U.S. trade deficits and job loss, downward pressure on wages, unprecedented levels of inequality, and new floods of often dangerous food imports, including those with e coli** - and TPP is more of the same. Rather than continue to push for a deal based on 25 years of failed policy, the Administration and Congress should heed the public demand for a new trade policy that will keep good jobs at home, raise living standards, and protect the environment through sustainable development abroad.
- **The rhetoric being used by supporters of TPP has been heard before.** NAFTA and CAFTA were supposed to bolster American jobs and cut down on undocumented immigration; the Colombia FTA was supposed to end the violent repression of labor unionists, and the Korea FTA was going to create 70,000 jobs. **None of these promises have been fulfilled.**
- **TPP has been written in secret.** This deal cedes important and long-lasting decisions about our future to a few negotiators and corporate “trade advisors” who wrote the deal behind closed doors. Backroom deals have led to disastrous economic policies for America’s workers and producers, and TPP is no exception.
- TPP, and agreements like NAFTA before it, are **based on debunked economic theories that benefit the few and leave middle-class Americans behind.** We need to ensure that trade policy is designed to increase the standards of living of most Americans, not just CEOs.

- TPP would **provide incentives to offshore jobs** to low-wage countries, and **impose limits on government policies** that we rely on in our daily lives for safe food and a clean environment. Our federal, state and local policies would be required to comply with the TPP's retrograde rules.
- **The large majority of voters (more than 60 percent) who know anything about TPP, oppose it wholeheartedly.** This opposition cuts across demographics to include women and men, voters over and under 50, college and non-college educated voters, and Independents. Voters have seen the devastating effects that prior trade deals have had on American workers, and they don't want more of the same.

TOP TEN ISSUES WITH THE TPP:

- **Currency: TPP allows Asian countries to manipulate their currencies, hurting American businesses.** Enforceable rules against currency manipulation continue to be absent from the TPP, even though this is essential to protecting American jobs and workers. The Economic Policy Institute estimates the U.S. could add as many as 5.8 million jobs by eliminating currency manipulation.¹ The TPP's lack of rules against currency manipulation and weak rules of origin mean that China can benefit from the TPP without ever joining or changing its ways.
- **ISDS:** The TPP would open the door to investor-to-state dispute settlement (ISDS), a private justice system that **undermines our democratic sovereignty by allowing foreign investors to bypass our court system and demand compensation from U.S. taxpayers.** Through ISDS, for example, foreign companies could challenge public health or environmental safety laws as threatening their expected profits. ISDS creates a chilling effect on local, state, and national safeguards on our environment, financial system, and pharmaceuticals.
- **Climate:** TPP would **undermine domestic efforts to address climate change** and our bilateral agreement with China to cooperate on climate change and clean energy.² Without a border adjustment, the TPP will do nothing to stop manufacturers from moving to TPP countries with no carbon reduction agreements.

¹ See Robert E. Scott, "Stop Currency Manipulation and Create Millions of Jobs," Economic Policy Institute, February 26, 2014, available at: <http://www.epi.org/publication/stop-currency-manipulation-and-create-millions-of-jobs/>.

² See FACT SHEET: U.S.-China Joint Announcement on Climate Change and Clean Energy Cooperation, available at: <http://www.whitehouse.gov/the-press-office/2014/11/11/fact-sheet-us-china-joint-announcement-climate-change-and-clean-energy-c>.

- **Labor:** There is **no plan to ensure that prospective TPP countries, with terrible labor rights records, including Mexico, Vietnam, Brunei, and Malaysia,³ are in full compliance before they are granted TPP benefits.** Under the “May 10” agreement, on which the TPP is based, worker repression continues in places like Colombia and Peru. TPP fails to address these critical labor issues.
- **State-Owned Enterprises:** TPP permits **unfair competition from state-owned and state-subsidized companies**, who operate at a loss to drive U.S. competitors out of business or buy U.S. companies to steal technology.
- **Rules of Origin:** **Weak rules of origin in the auto supply chain will reverse any gains we’ve made in the U.S. auto industry.** They will promote greater use of Chinese parts, which will be made without following TPP rules, even though the finished products will be sold by TPP countries.
- **Government Procurement:** Since the 1930s, government Buy American policies have ensured that our tax dollars are invested at home to create jobs and promote innovation. The TPP’s **procurement rules would forbid the use of Buy American and Buy Local policies**, and expose socially responsible criteria such as “clean hands” and preferences for firms that pay living wages and have better safety records, to challenges under the agreement.
- **Public Services:** To ensure that the American people retain the right to determine the quantity, quality, type, and nature of public services offered by federal, state, and local governments, **public services should be totally carved out from coverage under the TPP.** Governments must retain the right to freely reverse failed privatization efforts without compensating foreign firms or trading partners.
- **Financial Services:** Coalition members have pushed for changes to the “prudential exception” and the “capital controls” provisions, because the TPP **would forbid many of the common types of financial regulations that protect consumers and our economy.** Congress must carefully consider whether the TPP will increase the likelihood of another global financial meltdown by deterring regulators from acting boldly in the face of an impending crisis.
- **Access to Medicines:** The will **reduce access to medicines, and interfere with efforts to keep government spending on drugs and medical devices in check.** Congress must carefully consider whether the TPP will impede domestic healthcare policy or global development efforts. The AARP, Doctors Without Borders, and Oxfam America agree - TPP contains extreme patent protections for name-brand pharmaceuticals that threaten to restrict access to lifesaving medicines.

³ “The Trans-Pacific Partnership: Four Countries that Don’t Comply with U.S. Trade Law,” AFL-CIO, <http://www.aflcio.org/content/download/150491/3811471/file/TPPreport-NO+BUG.pdf>.