

Exposing the Trans-Pacific Partnership



What every American
needs to know

What is the TPP?

- A trade agreement between the United States and 11 other “Pacific Rim” nations
- This trade agreement has been **secretly negotiated** among **600 corporate advisors** and the presidents and trade advisors of participating nations
- This agreement is open to any country that agrees to its terms – currently under review by China

Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, US, Vietnam, and now Japan



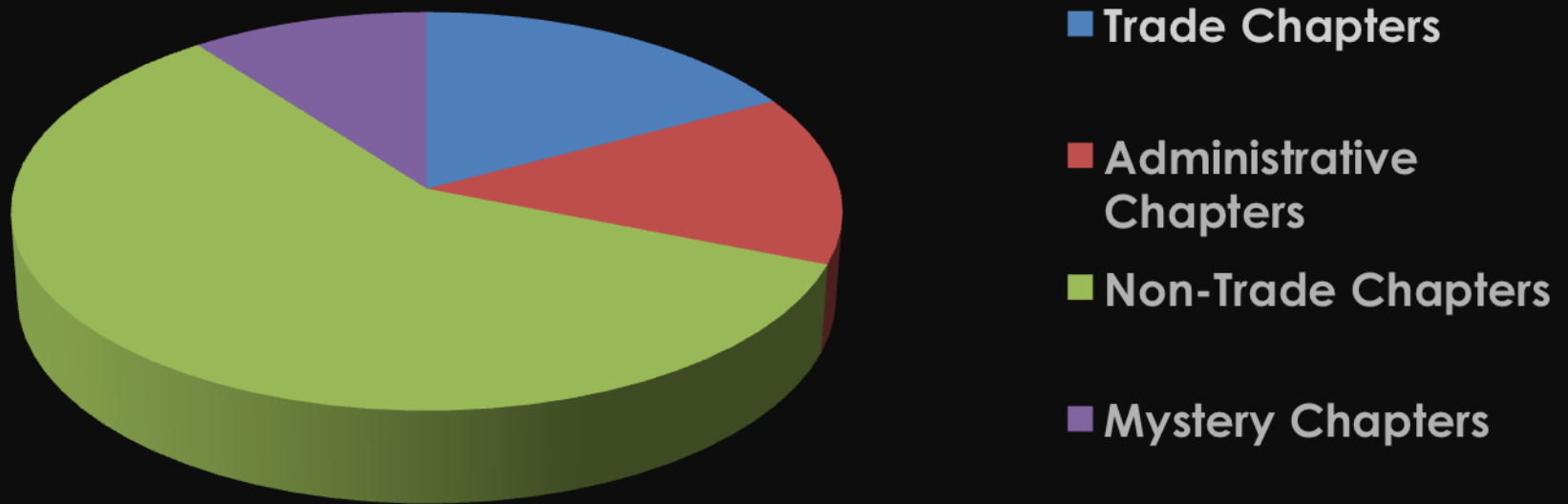
The TPP would cover nearly 40% of global output, and approximately one-third of world trade



US Office of the Trade Representative

Most of TPP is not about "Trade"
but Covers Many Matters Under State Authority

Only 5 chapters of this agreement
deal with actual trade:

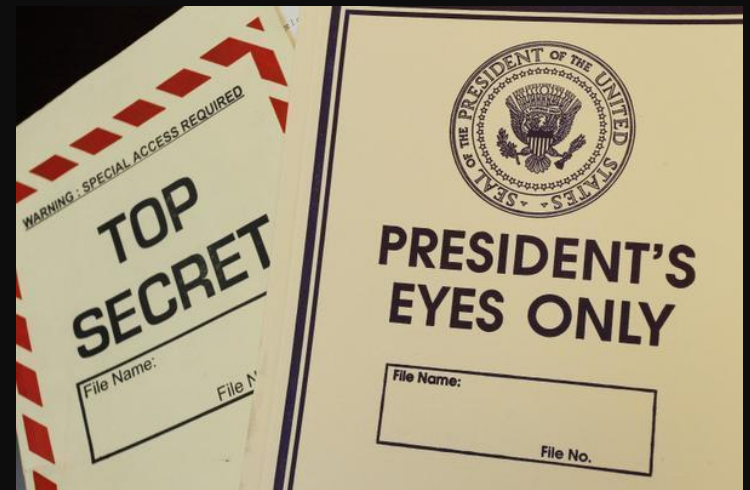


Public Citizen, Washington, DC

Just how **secret**
is the TPP?

The TPP is being negotiated in secret

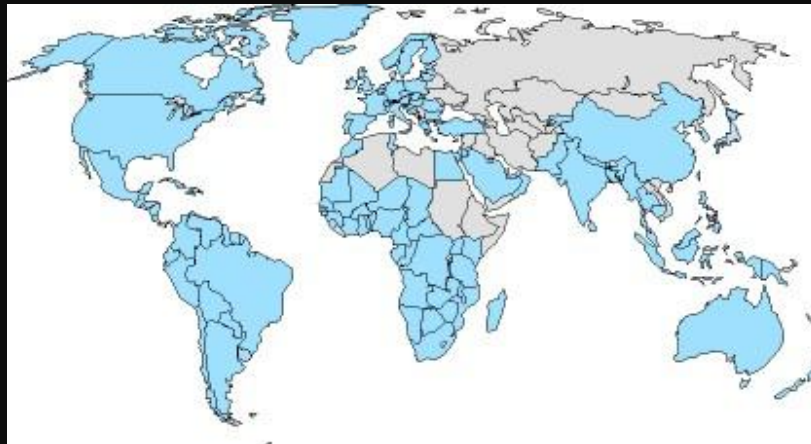
- US negotiations started under President Bush, and have continued under President Obama over the past 4 years
- Our Congress, who has **Constitutional** (Article 1, Section 8) authority over trade agreements, has been **prohibited access to the full text**



Aren't trade agreements
good for America?

WTO (World Trade Organization), 1995

- US and nearly 160 other nations
- Approximately 5 million US jobs have been moved to cheap-labor WTO countries since our joining
- Binding agreement terms **allow corporations to sue countries in global tribunals**, over laws/policies they view as “trade barriers” to their potential profits



2001: China joins the WTO

- Promised **US jobs** due to increased exports
- Since 2001, US corporate investment in China has soared – **2.8 million American jobs lost** to China, where minimum wage is **\$50 - \$112 USD per month**
- Jobs now being sent to China now include **IT, engineering, research and development, computer programming, accounting,** and other white-collar jobs
- The Chinese government is spending **over \$250 billion USD per year on higher education, with emphases on the sciences;** US universities are **partnering** with Chinese universities to build strong programs in engineering, technology and other sciences

NAFTA (North American Free Trade Agreement), 1994

- Promised to create 200,000 new American jobs from increased exports
- Nearly 1 million US jobs have been sent to Mexico for lower wages
- US commodity exports to Mexico caused the demise of thousands of Mexican farms, creating a surge of immigrants to the US, desperate to find work
- Agricultural trade imbalances in fruits and vegetables tripled within 5 years of NAFTA, contributing to the loss of 170,000 American farms (over a 20% decrease)

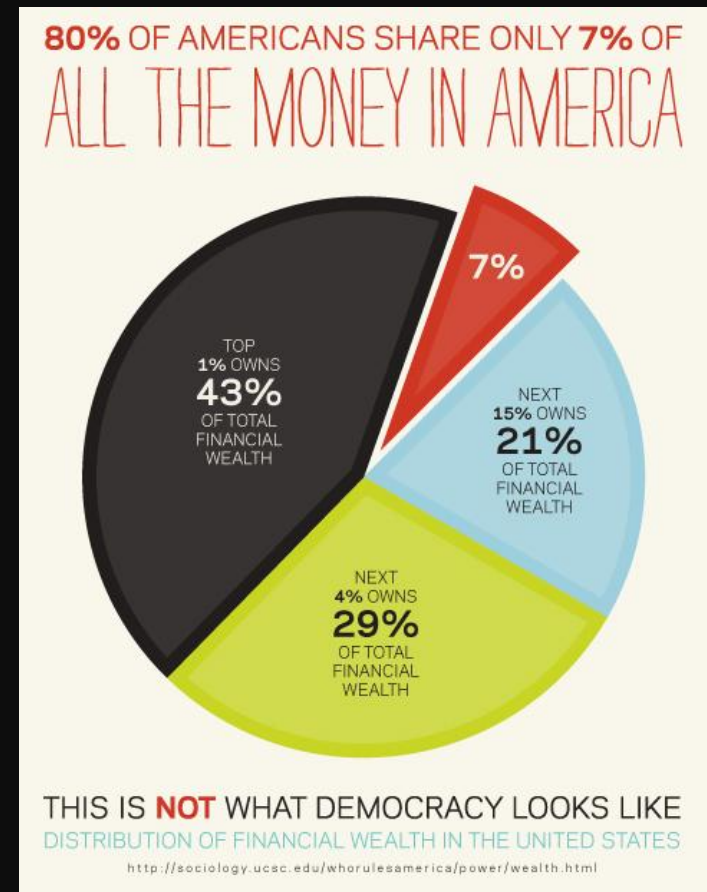


- U.S. **Low-wage jobs** are fast replacing middle-class ones in our struggling national economy
- Over **60% of the jobs lost** in the last recession were **middle-income jobs**
- Sadly, **59% of the new positions** during the recovery were in **low-wage industries** (retail, food services, cleaning and health-care support)
- By 2020, **48% jobs will be in those service sectors**

-Nick Hanauer, *Bloomberg*

US Income Inequality

- The US now has the highest income/wealth inequality of any nation in the developed world
- While incomes of the top 1% have skyrocketed, America's working class wages have stagnated
- Regrettably, 1 in 3 Americans are earning wages so low, they are barely able to cover their necessities



Huffington Post, Aug. 2013

Meanwhile, on Wall Street...

“Wall Street is sizzling and having a good summer”

-Forbes magazine

2013 second quarter profits:

- JP Morgan - \$6.5 billion
- Goldman Sachs – \$1.93 billion
- Citi Corp - \$4.8 billion
- Bank of America - \$4.01 billion (achieved in part by cutting American jobs)

How was *your* summer?

The TPP: nations must play by the
rules of “Investor State” rights...
or get sued.

- Under prior trade agreements, **corporations can (and do) sue entire nations** over laws and policies that they deem cause “future lost profits” – Under NAFTA alone, over **\$350 million** has been paid to foreign investors with **over \$12 billion** more in pending claims against environmental, safety or public health safety policies. **Paid for by our tax dollars.**



This is called “**Investor State Rights**”, which allow them to take their cases to **global corporate tribunals** – bypassing traditional court systems – and **under the TPP, appeals may not be allowed.**

Example of “Investor State Rights” cases:

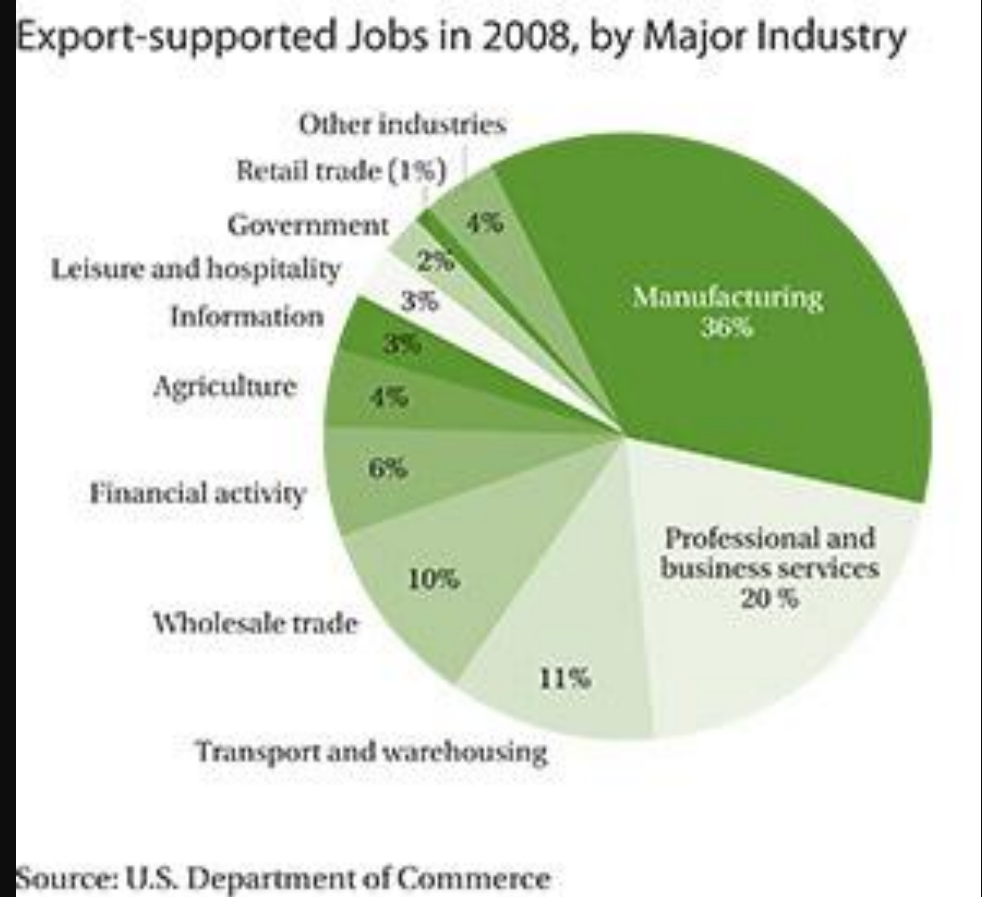
- Mexican tuna fishing fleets filed suit against the US in the WTO tribunal over our dolphin-safe tuna labeling. Because their nets are not “dolphin safe”, this was perceived as a “trade barrier”. The tribunal ruled against the US. (2012)
- US drug giant Eli Lilly is suing Canada for \$500 million, because they worked within their law to deny patents to two of Eli Lilly’s most expensive medicines – which is a “trade barrier” under NAFTA (2013)
- Indonesia filed a case against the US in the WTO tribunal over the congress-passed 2010 Family Smoking prevention and Tobacco Control act, which banned their clove cigarette imports because they were thought to entice young smokers. The WTO tribunal decided against the US, “recommending” that our policy is changed. (2013)

Jobs, Jobs, Jobs

What effects will the TPP have on
the US job market?

- According to the **US Department of Commerce**, it's not just our manufacturing jobs being lost overseas:

- Under the TPP, **millions more good-paying American jobs** will be lost to low-wage partnering nations



Vietnamese workers: the new threat

- Earn 31% less than the Chinese
- Nearly 2 million Vietnamese students are in college, with large numbers studying technology, engineering, and other sciences
- US universities: now partnering with Vietnamese universities to build strong engineering, technology and other science programs
- By 2010, 1 in 3 US companies polled planned to invest in more expansion in Vietnam – and US corporations are one of their top investors



The new option to “import” foreign workers

- The TPP is expected to allow US companies to “import” workers from low-wage partner nations
- The deal would provide workers with guaranteed work visas...and the ability for companies to pay them the wages of their home country



What could this look like?



US construction worker
\$3,000/month



Mexican construction worker
\$350/month

Food Safety

The TPP would also affect our
national food supply

- Currently, **2/3 of our fruits and vegetables and 90% of our seafood** is imported into the US – and the FDA inspects only **1-2 percent** of our imported foods for freshness, condition, radiation, contaminants or other toxins
- For **Summer 2013**: four US multi-state outbreaks of foodborne illnesses were attributed imported foods: **more than 850 illnesses, 122 hospitalizations, and one death**



USDA concerns about food imports from China

- Many Chinese farms and food processing factories are in areas where **water and soil are contaminated by industrial pollution and waste**
- Extremely **poor safety and hygiene standards** in food manufacturing
- Questionable and **Unsafe food additives and toxic dyes**
- Use of **US-banned** chemicals in farming
- Elevated levels of lead and other **toxic chemicals** in crop soil tests



USDA, Jul. 2009

- Under the TPP, food safety labeling will be limited or prohibited – which means that if we do get GMO labeling laws, they can be challenged, claiming that the laws are impeding profits



- American supermarkets will carry more imported foods from partner nations that don't meet US food safety standards – potentially with no requirements to label the food's country of origin



Environment

Under the TPP,
the environment will suffer

- Under the TPP's expansion of Investor State Rights, federal, state and local environmental safety laws can be overturned, **or the company can sue – citing lost potential profits**
- Corporations will be positioned to **move more operations to countries with the lowest environmental standards**



Public Citizen, Washington, DC

We will see more Investor State Rights cases over the environment, like this one:

- Ecuador sued Chevron for \$19 billion for dumping 16 billion gallons of toxic waste into their water from the 1970s to 1990s, creating a zone of birth defects, high cancer rates and damage to the Amazon rainforest.
- Multi-national corporation, Chevron has countersued Ecuador, alleging that lack of due process afforded in the trial violated its rights as an investor – demanding payback for any fines paid under the contamination lawsuit



Medical Costs

Under the TPP, medical costs
will skyrocket

- In recent years, **spending on medications has decreased due to generic drugs** – but still, in 2012, Americans spent over \$325 billion on prescriptions
- In 2012, **84% of prescriptions dispensed were generics** – the highest rates in history
- In 2011, **45% of adult Americans** without prescription coverage **did not fill their prescriptions due to cost**
- Nearly 1 in 3 Americans are on a long-term prescription drug, more than half are on two, and **20% are on five or more**



- The TPP is expected to extend monopoly drug patents **beyond 20 years** for even minor tweaks, such as change of dosage, or fillers that do not enhance the drug's benefit
- Relied upon **Generics will no longer be allowed to be copied** due to data exclusivity – **driving costs up** by keeping generics off the market longer
- Drug companies will be empowered to **challenge medication pricing for Medicare, Medicaid, and the VA**
- Will put life-saving drugs **out of reach** for millions, both in the US and abroad



...and the poor will no longer be able to access life-saving “name brand” treatments.



In 2001, HIV/AIDS treatment cost over \$10,000 per person per year. Today, treatment costs only \$120 per person per year. Generic medicines have made it possible for NINE MILLION people to receive treatment in developing countries.

The TPP would make it difficult to produce generic medicines.

TPP: FREE TRADE FOR WHOM?

Internet

TPP Internet restrictions will impose
new barriers

- The TPP is expected to **institute regulations and implement binding measures** similar to SOPA, PIPA, and CISPA
- Internet service providers could be **required to police user activity** for suspected copyright infringement; remove user-generated content using copyrighted material, and potentially **cut off user access**
- The TPP is expected to **adopt criminal sanctions for copyright infringements** which are done even on a small scale, *without* commercial motivation



- Even **Individuals** who download copyrighted pictures, text or music – just for personal or educational purposes – are expected to be **treated the same as large-scale copyright violators**
- Sharing of user-generated content would face new barriers, as monopoly copyrights would be extended to a proposed minimum of **lifetime of the creator plus 70 years**



Buy American

“Buy Local” and “Buy American” practices would be **banned.**

- The TPP is slated to require **equal access for all foreign firms** to US government procurement contracts
- This **would prevent the US** from instituting **public purchasing preferences** designed to keep taxpayer dollars circulating in local economies
- It would **prevent** government advancing specific cause(s) – **such as “buy green”**
- Stands to **eliminate** important policy tool to **use tax dollars for U.S. job creation**



Too big to fail

Undoing

US financial regulations

- The TPP seeks to **roll back financial regulations** – such as bans in trade of toxic assets – which helped trigger the recent **global economic crisis**



- The TPP is expected to **require national laws to conform to extreme deregulation measures** – and will challenge any type of reform by member nations (including the US) as “trade barrier’s

Could this create another mortgage crisis?

Could this create higher interest rates?

Could pension plans, 401 Ks and mutual funds be negatively impacted – or even lost?

Congressional authority

Who's in charge of
trade agreements, anyway?

- Under the U.S. Constitution, **Congress is given explicit authority** and oversight of trade (Article 1, Section 8)
- Presidential fast-track authority over trade was first used by Nixon – and since then, the **WTO, NAFTA and many other trade agreements** have been fast-tracked through Congress



Fast Track (or TPA) allows the President to select our trade partners, negotiate all terms, – with no time limits then submit the document to Congress for a yes/no vote on a strict timeline with no time for research, no meaningful debate, no citizen input, and no amendments or other modifications allowed.



- Fast-Track (renamed Trade Promotion Authority or TPA) authority **expired** in **2007**
- President Obama is **asking Congress to vote to renew fast-tracking** in September 2013 – and is planning to use that authority to **fast-track the Trans-Pacific Partnership**
- Currently, there is **growing bipartisan support** in Congress to **renew Fast Track** – and big business is lobbying Congress aggressively for a yes vote



If fast track authority is renewed, the **Trans-Pacific Partnership** WILL be fast-tracked – along with other trade agreements (i.e. the Trans-Atlantic Partnership) that are currently in the works.

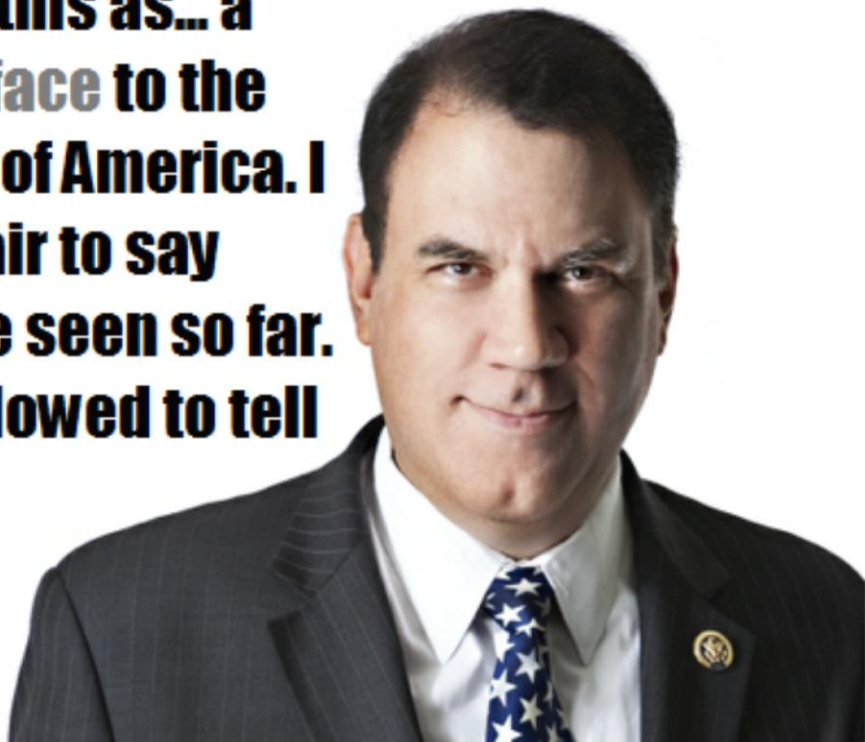
Congressional lack of access

After ongoing heated pressure, **only ONE US Congressman** – Rep. Alan Grayson (FL) – has seen any of the TPP:

- Was given only a very **limited version**
- Was **forbidden to divulge** the content to anyone
- Rep. Grayson said, “**It's all about tying the hands of democratically elected governments**, and shunting to the nonelected the benefit of multinational corporations.”
- Deemed it “**an assault on democratic government.**”

"Having seen what I've seen, I would characterize this as... a punch in the face to the middle class of America. I think that's fair to say from what I've seen so far. But I'm not allowed to tell you why!"

**Rep. Alan Grayson
D-FL**



What is Obama saying about the TPP?

- "With nearly 500 million **consumers** between us, there is so much more we can do together."
- (The TPP) will "**lower barriers to trade and investment.**"
- After publicly stating he would demand transparency, President Obama is agreeing to **NOT publicly release the TPP's draft texts until 4 years after the deal is done or the negotiations collapse**
- On his 2008 campaign trail, President Obama promised **to do away with fast-tracking** – but now wants to fast-track the TPP through Congress

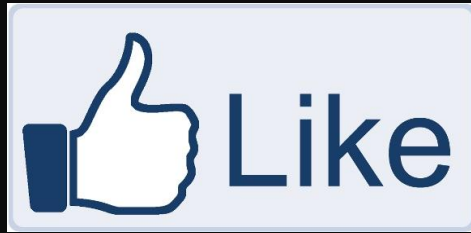


Take action

What can we do to
fight the TPP?

- CALL your Congress member immediately, and tell them to **VOTE NO** on the renewal of Fast Track (Trade Promotion Authority – TPA) (US Capital Switchboard: **202- 224-3121**)
- CALL your Congress member's office and tell them **NO** on renewing **Fast Track** Authority, and **NO** on the **TPP!** (Call all of their offices, both locally and in DC)
- SHARE this information with friends, to help spread the word

www.facebook.com/ExposetheTPP.USA



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“notifications” from
Expose the TPP-USA on

Facebook to:

- receive updates
- get involved at the local or state level
- Find out more about how the TPP will affect you and our nation



"Never doubt that a small
group of concerned citizens can
change the world.

Indeed it's the only
thing that ever has."

- Margaret Mead

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Join the grassroots movement to stop the
Trans-Pacific Partnership.

We want "fair trade" not "free trade."

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