

The Trans-Pacific Partnership

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The Trans-Pacific Partnership, or TPP, a free trade agreement among Pacific Rim nations, is possibly the biggest story you've never heard of. That's partly by design. The United States and the eleven other countries negotiating what is the largest trade deal in history have done so behind closed doors, without media scrutiny, and without public input. Even lawmakers have been kept in the dark about what's being called "NAFTA on steroids."

What's known about the trade deal comes mostly from whistleblowers and drafts of TPP sections — called chapters — leaked to WikiLeaks. Even given the little they know, environmental, labor and consumer advocates have concluded the trade deal will hurt U.S. jobs, roll back environmental safeguards, and give corporations greater power to sue governments and set national and local policies both here and abroad.

However, TPP opponents say negotiations have reached a critical point. President Barack Obama — a major TPP proponent — needs Congress to give him "fast track" authority in order to finalize the trade deal. Fast track in the form of the "Camp-Baucus bill" — introduced in January by Rep. Dave Camp (R-Mich.) and Sen. Max Baucus (D-Mont.) — would hand over Congress' constitutional authority to set trade policy to the president, in effect limiting U.S. lawmakers to voting yes or no on the TPP terms the president negotiates.

Street Roots spoke with Oregon Fair Trade Campaign Director Elizabeth Swager about the TPP, what it could mean for Oregon, and where the state's congressional delegation stands.

Nathan Giles: The TPP negotiations have taken place in secret. Official drafts of the document haven't been released. What do we know about the TPP?

Elizabeth Swager: [What] we know has been culled from conversations we've had with negotiators, lobbyists and from a handful of leaked drafts of the 29 chapters of the TPP text. We know there are 12 countries negotiating the TPP: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, Japan, and, of course, the U.S. Just among those 12 countries the TPP is poised to set rules for approximately 40 percent of the global economy. This really is the largest free trade agreement ever negotiated.

But the TPP is even more significant because it's being explicitly negotiated in what's being called a "docking agreement." That means other countries will be pressured to sign on over time.

The office of the United States Trade Representative has even said its intention is for the TPP to cover half of the countries of the world.

N.G.: Who is writing this thing and why the secrecy?

E.S.: The negotiations have been taking place for four years, and the U.S. trade representative has refused to tell the American public what's being proposed in their name. The office has barred the public and limited congressional review. Instead, it's consulting with about 600 advisors, the vast majority of whom represent transnational corporations like Walmart, Cargill and Chevron.

You have these unelected negotiators who are making decisions on our behalf and consulting with some of the largest corporations in the world. And what's their interest in the TPP? It's generally to look at (opening to trade) countries like Vietnam as low-cost alternatives to China. Vietnam's minimum wage is just a third of what it is in China. So it'll be very difficult for Oregon producers to compete.

N.G.: Explain the "investor-state" system, also called "investor-state dispute resolution," and how the TPP could strengthen it.

E.S.: Investor-state dispute resolution has been around since NAFTA. Basically it allows transnational corporations that have investments in a country (that are signatories to a qualifying trade agreement) the ability to sue a local government for any court ruling, regulation, or law that they feel could interfere with their ability to make future profits.

N.G.: Just for clarification, by "local government" you mean municipal, county, state and federal, correct?

E.S.: That's correct. To give a concrete example, we have had fought, grassroots environmental campaigns that have succeeded in pressuring governments to pass laws to reject permitting applications by extractive industries. These are what have been attacked using the investor state dispute resolution process.

With NAFTA, a recent dispute concerns the energy firm Lone Pine Resources, which challenged Quebec's fracking ban demanding \$250 million in compensation from the Canadian government. Another example is the Pacific Rim Mining Corporation, a Canadian company. It had a \$77 million case against the government of El Salvador after it was denied a gold mining permit following a historic multi-year community campaign to protect local waterways.

Basically what happens when these cases go to tribunal is that you have a panel of three, generally corporate lawyers, who take turns being the judge. If the corporation wins and the government loses, then the taxpayers have to pay millions of dollars in compensation. If the government doesn't want to be sued again, then it needs to change its laws.

N.G.: So these suits can be based on projected losses, meaning companies can sue on the grounds that they think they're going to lose money?

E.S.: That's absolutely right.

N.G.: In Portland we recently passed a paid sick leave ordinance. So the investor-state dispute process via the TPP or other trade deal could mean a company says it wants to open shop in Portland, but it doesn't want to pay for its employees' sick time. Then said company sues the city over what it thinks it might have lost if it obeyed the law, and Portland taxpayers are stuck with the bill?

E.S.: Yes, that could happen under a challenge of the investor state dispute.

N.G.: Let's talk about Oregon's congressional delegation. In July 2013, Oregon Sen. Ron Wyden sent a letter to U.S. Trade Representative Michael Froman asking him to eliminate existing footwear duties for TPP signatories. Oregon Sen. Jeff Merkley also signed the letter, as did 13 other senators. This is something The Oregonian points out, that Nike and the Footwear Distributors and Retailers of America want to open up Vietnam. The letter even mentions Vietnam.

A similar petition was sent to Froman by 49 members of the House. Signers this time included Oregon representatives Earl Blumenauer, Suzanne Bonamici, Kurt Schrader, and Greg Walden. Obviously we're a progressive state, and free trade agreements aren't popular with progressives, what's the story here?

E.S.: You might be surprised. It's not been easy to form an opposition to the TPP. And many of our members of Congress haven't necessarily come out for or against the TPP.

Our big focus has been around fast track, which would make it much easier to push through a bad deal like the Trans-Pacific Partnership. Basically what fast track does is

limit

congressional review and debate and forbids amendments to the TPP or any other trade agreement. It hands the completed trade deal to the president to be signed before Congress gets a chance to weigh in. Even if they (Congress) see things they don't want, they can't change it. They're reduced to a take-it-or-leave-it vote.

With fast track we know exactly where our representatives stand. We've had 150 House Democrats sign onto a letter to President Obama opposing fast track. Every Oregon Democrat, both in the House and Senate, have spoken out against fast track.

N.G.: So the cynical might say our representatives are willing to shill free trade for sneaker companies, but they want a say in the matter.

E.S.: Yeah, it's hard to say where they're going to put their vote. But we certainly have representatives we can count on. Look at Congressman Peter DeFazio. He's actively speaking out against fast track, the TPP, and is working on defeating both. My hope is, with enough education, we can bring our other members of Congress in line with the same type of thinking.

N.G.: In January, Senate Majority Leader Harry Reid said he wouldn't bring fast track legislation to the floor. He's spoken privately with President Obama about the TPP, and as you say, his caucus isn't happy about fast track. Where's fast track now?

E.S.: I don't think we're in the clear yet. There's still a lot of push from the White House and the U.S. Chamber of Commerce urging members of Congress to support the Camp-Baucus bill. And I wouldn't be surprised if we see, after some pressure, some Dems changing their stance. So we're not done yet.

Fair trade activist Elizabeth Swager talks about the controversial trade deal and what it means for Oregon



Elizabeth Swager is the executive director of the Oregon Fair Trade Campaign, a statewide coalition of labor, environmental and human rights organizations working to promote just and sustainable international trade policy. The coalition was founded in 2004 by the Oregon AFL-CIO and Oregon Chapter of the Sierra Club. Today its membership includes organizations represent a wide variety of industries and labor across the state.

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What is the Trans-Pacific Partnership Agreement?

The Trans-Pacific Partnership Agreement is a deeply controversial trade agreement among Pacific Rim countries. The negotiation process for the TPP has been highly secretive, but it is largely summarized as an expansion of a smaller 2005 agreement among Asia-Pacific nations. The intent is to promote free trade among the countries involved, spur job growth and economic development. But it was so secretively crafted, that it wasn't until WikiLeaks published drafts of the TPP earlier this year that anyone has been able to see what's really at stake.

Who is involved: The 12 nations currently negotiating the TPP are the United States, Japan, Australia, Peru, Malaysia, Vietnam, New Zealand, Chile, Singapore, Canada, Mexico and Brunei. Forget billions in trade, these countries rack up more than \$1 trillion worth in traded goods each year. And China isn't even a part of it. However, the agreement is intended to compel more countries to sign on.

What it proposes doing: By most accounts, this agreement isn't just about trade, but about larger non-trade issues around foreign and domestic policy. It's not just market access, it's how those markets are regulated — including intellectual property — that are being threshed out to manipulate trade options. According to an analysis from the U.S. Trade Representative office, a TPP agreement provides global income benefits of an estimated \$223 billion per year by 2025. Real income benefits to the United States are an estimated \$77 billion per year.

What are some of the concerns?

Intellectual property: Multiple free speech and social justice groups have come out condemning both the secrecy surrounding the development of the agreement and what the agreement could do. Among the major concerns are the control over intellectual property — which spans open internet practices to patents and protections for medicines — which could curb generic options in the future. The Electronic Frontier Foundation, for example, is particularly concerned about the extension of copyright protections for corporations that are more restrictive than international law, coupled with punitive measures. The EFF is also concerned that it binds the freedom of Congress to protect American citizens from infringement on fair use practices on the Internet.

Environment: It's what's not in the TPP that has environmental groups up in arms. No basic protections. The Sierra Club, the World Wildlife Federation and the National Resources Defense Council have all come out strongly against the TPP as proposed. Michael Brune, executive director of the Sierra Club, said the TPP rolls back any progress made in previous trade agreements, and could have severe detriment to oceans, wildlife and forests, along with everything in between. The promulgation of illegal logging and wildlife products and overharvesting animals are at the top of their concerns. For example, the lukewarm language about any safeguards, even existing ones, could reinforce Vietnam's passion for rhino horns, which has pushed the trade for rhino poaching in Africa 3,000 percent in recent years.

Labor Rights: The AFL-CIO admits that it remains unclear exactly how the TPP might impact labor conditions, but it has expressed concerns about ensuring labor standards and cooperation, and the right to organize. Another question they want answered is how such rights and standards would be enforced. The AFL-CIO is concerned that when it comes to drafting the final agreement, corporations' interests, not labor rights, are the guiding influence.