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## The Burial of the Zombie TPP

## Statement of Lori Wallach, Director, Public Citizen's Global Trade Watch on President-Elect Trump's Statement on Withdrawing the U.S. From Being a TPP Signatory

The unrelenting push by the Obama administration for the Trans-Pacific Partnership (TPP) right through this election helped to elect Donald Trump, but Trump himself did not derail the TPP – people power united across borders accomplished that first by delaying the TPP's completion beyond its 2012 deadline and then by ensuring that a majority in Congress could never be built to implement the deal since it was signed 10 months ago.

By declaring he will formally bury the zombie TPP, the president-elect is merely acknowledging the obvious: The deal died under the weight of its own terms and could not achieve sufficient support in Congress. Well before Trump's election, the presidential primary campaign and the halls of Congress resounded with the American public's rejection of trade proposals that not only failed to live up to the proponents' promises over the past 20 years, but threatened further damage to working people and the environment.

The majority of people in the TPP countries will be better off without the deal, which had little to do with free trade but rather concentrated on awarding special new powers to multinational corporations. This included the right to sue governments before panels of three corporate lawyers for unlimited cash compensation from taxpayers over policies deemed to undermine the vast new rights the TPP would have granted them.

The false notions that the TPP's demise helps China or, undermines U.S. international leadership are merely the echoes of the desperate foreign policy arguments that the Obama administration made to try to pass the deal after its economic case failed to convince the American public or Congress.

Managing the U.S. relationship with a rising China is a real challenge, but the TPP was not the answer. Implementation of the TPP would have allowed duty free access to U.S. markets for products made with a majority of Chinese content as long as final assembly was done in low-wage TPP nations Vietnam and Malaysia without any reciprocal obligations on China. It also would have allowed access for the many Chinese state-owned enterprises in Vietnam on equal terms to U.S. firms for all U.S. government procurement contracts. And the priority focus by Japanese Prime Minister Shinzo Abe in his meeting with Trump on defense matters – the Seventh Fleet and U.S. troops in Asia providing defense for U.S. allies – reinforces that the U.S. role in the region will remain vital.

The notion that somehow the demise of the TPP is the end of U.S. trade with the TPP countries is ridiculous given that we already have tariff-zeroing free trade agreements with the six TPP countries that account for 80 percent of the TPP bloc's combined GDP. In addition, all of the TPP countries are in the World Trade Organization, meaning that tariffs among the TPP nations were already low.

Trying to paint the TPP as a way for America to write the rules in Asia *so that China does not* was absurd. The TPP was never about establishing "American" rules in Asia, a fact reinforced by opposition to the deal by the environmental, human rights and labor organizations that promote protections for working people and the planet. The TPP was about imposing rules that would hurt most Americans but are favored by the 500 official U.S. corporate trade advisers who called the shots on the TPP.

The only way forward is to create <u>new rules of the road</u> for globalization that put people and the planet first while harvesting the benefits of expanded trade. And we must roll back the existing corporate-captured "trade" deals and extreme investor-state dispute settlement regime that have caused people and the planet so much damage. The coalition that stopped the TPP is powerful and united and will fight forward to deliver that change. And, we will be ready to take on any attempt to revive the TPP or advance other crony-corporate trade pacts based on the same failed and outdated model of trade.

For a review of the six-year international campaign against the TPP, please read <u>https://medium.com/@citizenstrade/no-trump-didnt-kill-the-tpp-progressives-did-884b534542d#.175otqc1j</u>