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Six Things to Know About the Trans-Pacific Partnership (TPP)

1. **The TPP is not mainly about trade at all: Only six of its 30 chapters cover trade matters while most provide specific new rights and powers for corporations.** The pact has become so controversial because – at a time when poll after poll shows that Republicans, Democrats and Independents are furious about growing corporate power over their lives and governments – the TPP provides a concrete example of how the rules get rigged against most Americans' interests. As this New Yorker piece describes, 24 of the 30 chapters require limits on food, financial and other regulations and provide drug firms new monopoly rights. The TPP was negotiated in secret with hundreds of corporate advisors (see the *Washington Post* infographic of 500 corporate advisors), while the public and press were shut out – as was Congress until year six of seven of the closed-door talks. Recent opinion research shows that the more the American public hears about the TPP and its actual terms, the more they oppose it.

2. **There are few remaining tariffs left between TPP nations to cut, which is why pro-free trade economists say there are very limited economic gains to be had from the TPP.** From Paul Krugman to Joseph Stiglitz to Robert Reich to Jeffrey Sachs to Simon Johnson and beyond, prominent economists who supported the North American Free Trade Agreement (NAFTA) and other past pacts say there would be few economic upsides from the TPP. Many are working to stop the TPP because they consider it as threatening to the U.S. economy and most Americans' interests. The TPP includes protections that make it easier for corporations to send jobs overseas, removing the risks and costs that make corporations think twice about offshoring jobs to low-wage countries. The pro-free-trade Cato Institute calls these terms a subsidy on offshoring.

3. **The TPP's key provision grants new rights to thousands of multinational corporations to sue the U.S. government before a panel of three corporate lawyers that would be empowered to award the corporations unlimited sums to be paid by America's taxpayers, including for the loss of expected future profits.** Were the TPP enacted, multinational corporations need only convince the tribunal of private sector lawyers that a U.S. law or safety regulation violates their TPP rights. The tribunals' decisions are not subject to appeal and the amount awarded has no limit. To date, the United States has avoided losing such "investor-state dispute settlement" cases because past pacts did not include major capital-exporting nations except Canada. But the TPP would newly empower the U.S. subsidiaries of more than 9,500 Japanese and other TPP-nation firms to attack U.S. federal, state and local policies and government actions, as TransCanada recently did using similar terms in NAFTA.

4. **Even the official U.S. government assessment of the TPP, the U.S. International Trade Commission (ITC) report released on May 18, projected few economic gains but estimated that 36 of 55 U.S. economic sectors would suffer declining trade balances under the TPP.** The ITC projected that the TPP would increase the U.S. global trade deficit by $21.7 billion by 2032 and even worsen our services trade balance. The ITC projected a $24 billion dollar jump in the manufacturing trade deficit and job loss and manufacturing losses five times larger than gains for winning agricultural sectors, with corn and wheat losing. The projected upside: tiny economic growth gains (15/100 of one percent) by 2032 – meaning the United States would be as wealthy on January 1, 2032 with the TPP as it would be on February 15, 2032 without. A recent study finds that the TPP would spell a pay cut for all but the richest 10 percent of U.S. workers by exacerbating U.S. income inequality, just as past trade deals have done.

5. **The "TPP covers 40 percent of the global economy" line is a misdirect: The six TPP nations with existing U.S. free trade pacts account for more than 80 percent of the trade counted in the 40 percent.** Tariffs on U.S. goods going to Australia, Canada, Chile, Mexico, Peru and Singapore already do not exist or are being eliminated. So while TPP countries may account for 40 percent of world trade, the TPP would cut tariffs on only 20 percent of that 40 percent share. Japan comprises fully 88 percent of the combined gross domestic product of the five TPP countries without an existing U.S. free trade agreement, but Japan's average applied tariff weighted by product import shares is now only 1.2 percent. Indeed, tariff *levels* in the remaining five TPP countries are generally low.

6. **Environmental, consumer, faith, senior, family farm, LGBTQ, Internet freedom, small business, human rights, online activism, and other organizations have made stopping the TPP a major priority because it would undermine decades of their policy achievements and foreclose future progress by requiring signatory countries to conform domestic laws to hundreds of pages of non-trade rules promoted by the corporate interests involved in negotiations.** Doctors Without Borders calls the TPP the worst trade agreement for access to medicines. The online groups that derailed the Stop Online Piracy Act (SOPA) in Congress are fighting TPP terms that undermine Internet freedom and consumer privacy. Consumer groups are engaged because the TPP would require us to accept food imports that do not meet U.S. safety standards and limit commonsense financial regulation needed to avoid future crises. Climate and youth organizations are fighting the TPP because it would forbid many of the policies we need to combat climate change. Just one recent letter to Congress was signed by 1,500 organizations from NRDC and Sierra Club and 350.org to MoveOn and CREDO to the National Farmers Union and Public Citizen and Food & Water Watch to Common Cause and Action Aid to the AFL-CIO and SEIU to score of national unions to the Presbyterian, Unitarian and other faith groups with tens of millions of members combined.

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