



215 Pennsylvania Avenue, SE • Washington, D.C. 20003 • 202/546-4996 • www.citizen.org

For Immediate Release:
Jan. 15, 2014

Contact: Joe Williams (202) 454-5108
Lori Wallach (202) 454-5107 llwallach@citizen.org

Thursday Senate Finance Committee Fast Track Trade Hearing to Be Contentious

Fast Tracking the Trans-Pacific Partnership Conflicts with the President's Efforts to Counter Income Inequality, a Key Focus of the State of the Union Address

Note: At 10 a.m. Thursday, the Senate Finance Committee is holding a hearing on a bill (S. 1900) to give the president Fast Track trade authority.

WASHINGTON, D.C. – Thursday's hearing on the long-delayed legislation to establish Fast Track authority for President Barack Obama's priority Trans-Pacific Partnership (TPP) agreement could be a donnybrook, Public Citizen said today. [Five Finance Committee Democrats announced opposition](#) when it was introduced last Thursday.

“Democrats want to talk about job creation and tackling income inequality, which are also expected to be the main themes in President Obama's State of the Union speech, but the 20-year record of NAFTA shows that deals like the Trans-Pacific Partnership would only contribute to income inequality as more middle-class jobs are lost,” said Lori Wallach, director of Public Citizen's Global Trade Watch.

One of the only things that economists agree on regarding the North American Free Trade Agreement (NAFTA), which marked its 20th anniversary of being in effect on New Year's Day, is that such trade pacts are a major contributing factor to growing U.S. income inequality. Obama is expected to dedicate much of his State of the Union address to plans for battling income inequality while he is also pushing for Congress to Fast Track the TPP, which would expand the NAFTA model to more nations.

This conflict is likely to be among the problems raised by committee Democrats with U.S. Sen. Max Baucus' (D-Mont.) Fast Track bill. A study published by the Peterson Institute for International Economics estimated that as much as 39 percent of the observed growth in U.S. wage inequality is attributable to trade trends. Since the January 1, 1994, implementation of NAFTA, the share of national income collected by the richest 10 percent has risen by 24 percent, while the top 1 percent's share has shot up by 58 percent.

“Many members of Congress are asking why we would agree to give up our authority to make sure the Trans-Pacific Partnership is not NAFTA on steroids, particularly when we’ve seen what NAFTA has done to American workers,” Wallach said.

Not a single House Democrat agreed to co-sponsor the Fast Track bill. The “Bipartisan Congressional Trade Priorities Act of 2014” had imminently departing Baucus (D-Mont.) as its only Democratic sponsor, along with U.S. Rep. Dave Camp (R-Mich.) and Sen. Orrin Hatch (R-Utah.)

But getting Fast Track for TPP is a top priority of President Obama. The legislation replicates the Fast Track mechanism found in the 2002 grant of Fast Track, which more than 150 House Democrats announced in a November 2013 [letter](#) that they would oppose, as did several [dozen](#) House GOP.

“The Trans-Pacific Partnership is a Trojan horse for a host of awful measures that have nothing to do with trade and would never get through Congress in the light of day. Only five of the draft trade pact’s 29 chapters are about international trade. This grab bag should not be pushed through Congress without a real debate over each of its impactful measures. The trade pact would threaten food safety, raise medicine prices and roll back Wall Street reforms. The Trans-Pacific Partnership would offshore millions of American jobs, ban Buy American policies and sneak in threats to Internet freedom,” Wallach said.

###