

# United States Senate

WASHINGTON, DC 20510

September 29, 2016

President Obama  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear President Obama:

We write to underscore the fundamental flaws of the Trans-Pacific Partnership (TPP) agreement. Until these provisions are fixed through renegotiation, it is not appropriate for Congress to consider this trade agreement. Passing the TPP in its current form will perpetuate a trade policy that advantages corporations at the expense of American workers.

First and foremost, the agreement includes investor-state dispute settlement (ISDS), which means our country's own public health, worker safety, and environmental standards, among others, are vulnerable to corporate challenges. Recent investigative reporting by BuzzFeed reveals the extent to which ISDS has become an integral part of profit-maximizing strategies for corporations. ISDS challenges, and even mere threats of ISDS challenges, have been used to secure extractive permits over community objections, to get executives out of criminal convictions, and to exonerate managers connected to a factory's lead poisoning of children. Such a corporate handout does not belong in our trade agreements.

The TPP labor provisions are also unacceptable. The text does not ban trade in goods made with forced or child labor; it simply requires each party to discourage, in whatever manner it considers appropriate, the importation of goods produced by forced or compulsory child labor. And the language on acceptable conditions of work with respect to minimum wages will be enforced only in export processing zones, which leaves TPP parties free to reduce worker safety protections and minimum wages provided they do so economy-wide. The consistency plans for Vietnam, Malaysia and Brunei are inadequate and will not ensure full compliance with international labor rights before the TPP enters into force. Vietnam, for example, will not have to allow free and independent unions at any level greater than a single enterprise for the first five years of the agreement. And Mexico, which refused to negotiate a consistency plan, has made promises of improvement but presently has no credible plan for protecting workers' rights once TPP is implemented.

The TPP countries' joint declaration on currency is similarly insignificant. It established a forum for TPP partners to discuss currency manipulation, but there is no enforcement mechanism to ensure our trading partners do not manipulate their exchange rates for export advantages. The forum will meet annually to consider exchange rate policies and their impact on TPP countries. They will issue only a report on their findings, leaving U.S. workers and manufacturers, including those in the auto sector, without any recourse if a TPP trading partner intervenes in its currency for economic benefit.

The U.S. auto sector will also be hurt by TPP's rules of origin for autos, which will undermine the North American Free Trade Agreement's rules of origin. Under TPP's rules of origin, non-TPP countries can contribute more than half the value of a TPP-traded car. Overnight, the North American supply chain will be changed. TPP's weak rules of origin will threaten the hundreds of

thousands of American jobs in the U.S. auto supply chain because the components they produce can now be sourced from China or other countries without losing the agreement's tariff benefits.

We also want to respond to claims that TPP is important for U.S. national security. We fear that the agreement would further erode American manufacturing and our defense industrial base. Empowering multinational corporations, who have allegiance to no country, through ISDS will actually weaken the ability of our TPP partners to govern. Meaningful government engagement and relationship-building with our allies will advance U.S. national security interests in the Asia Pacific far more effectively than a trade agreement that promotes the interests of corporations at the expense of citizens.

This list of TPP flaws is not exhaustive, but it signifies some of the provisions that need to be renegotiated before the agreement is considered by Congress. It is simply not accurate to call an agreement progressive if it does not require trading partners to ban trade in goods made with forced labor or includes a special court for corporations to challenge legitimate, democratically developed public policies. Passing TPP before these and other provisions are fixed will hasten the erosion of U.S. manufacturing and middle class jobs, and accelerate the corporate race to the bottom.

We urge you to work with our TPP partners to negotiate a trade agreement that stands up for American workers and grows our middle class.

Sincerely,



Sherrod Brown  
United States Senator



Bernard Sanders  
United States Senator



Richard Blumenthal  
United States Senator



Jeff Merkley  
United States Senator



Al Franken  
United States Senator




Edward J. Markey  
United States Senator




Brian Schatz  
United States Senator



Robert P. Casey, Jr.  
United States Senator



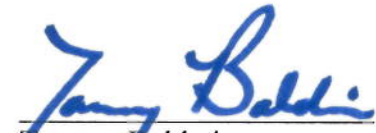
Elizabeth Warren  
United States Senator



Sheldon Whitehouse  
United States Senator



Mazie K. Hirono  
United States Senator



Tammy Baldwin  
United States Senator