



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

For Immediate Release:
July 1, 2014

Contact: Dan Hockensmith, (202) 454-5108
dhockensmith@citizen.org

Public Citizen Releases State-by-State Data on U.S. Tax Dollars that Could Be Offshored via TPP Ban on Buy American Preferences

The Trans-Pacific Partnership's Threat to Buy American and the U.S. Jobs It Supports Highlighted in July 4th Congressional Recess Events Nationwide

WASHINGTON, D.C. — Public Citizen has created a [state-by-state analysis](#) of how much money each state's taxpayers contribute to U.S. federal government purchases that are now subject to Buy American policies that the [Trans-Pacific Partnership \(TPP\)](#) would undermine. Public Citizen is organizing events in 20 states during the July 4th congressional recess to highlight how TPP would offshore Americans tax dollars by forbidding the use of Buy American preferences, which ensure taxpayer funds are reinvested at home through government purchases from U.S. companies so as to create American jobs and spur innovation.

“For all the political divides now, there is remarkably unified support for Buy American, so when people hear TPP would ban Buy American preferences and ship our tax dollars offshore, they are understandably furious,” said Lori Wallach, director of Public Citizen’s Global Trade Watch.

Under the TPP, the U.S. government would be required to grant all firms *operating in any TPP country* the same access as American firms to U.S. government procurement contracts over a set value. The TPP ban on preferential treatment for U.S. firms with respect to obtaining U.S. government contracts could result in the offshoring hundreds of millions in tax dollars now recycled into the U.S. economy under the Buy American procurement program, which started in 1933. The state by state data is available at <http://www.citizen.org/buy-american-taxes>. Among Public Citizen’s findings:

- Each Texas taxpayer provides an estimated \$2,645 annually in support of federal procurement, resulting in a statewide total of approximately \$48.7 billion.
- Each year, taxpayers in California finance approximately \$65.2 billion in federal procurement, or an estimated \$2,280 per California taxpayer.
- Annual U.S. government procurement is funded with approximately \$11.7 billion contributed by Washington state, which translates to \$2,132 per taxpayer on average.

The U.S. federal procurement market is more than 10 times larger than *all* of the new prospective TPP procurement markets combined. Under the TPP, the United States would trade away

[preferential access for U.S. firms to the \\$556 billion U.S. federal government procurement market](#) in exchange for just \$53 billion worth of new national procurement markets for U.S. companies seeking business in TPP countries.

“Even if you support the general notion of offshoring U.S. tax dollars to foreign firms, at a loss of more than \$10 for every -dollar gained, access for some U.S. companies to bid on contracts in TPP countries is a terrible trade-off for waiving Buy American preferences on U.S. procurement,” said Wallach.

For instance, the TPP would allow the many Chinese-government-owned firms in Vietnam to undercut American businesses to get contracts for goods bought by the U.S. government, paid for by American taxpayers. These firms in Vietnam — where the average minimum wage is 52 cents an hour — would be poised to win U.S. government contracts that would have otherwise gone to U.S. businesses.

[Seventy House members](#) and many [senators](#) have said they oppose TPP measures that could weaken Buy American, stating that the TPP’s rules “could result in large sums of U.S. tax dollars being invested to strengthen other countries’ manufacturing sectors, rather than our own.”

This week, Public Citizen and its allies will be visible nationwide during the holiday recess as voters send a clear message to their representatives in Washington: Don’t sell out Buy American.

Note: State-by-state data can be accessed at <http://www.citizen.org/trade/>

###