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November Deadline for Obama's First Trade Deal Falls Away as Controversies Roil Chicago Trans-Pacific Trade Talks

American Medical Assoc. Enters Fray Over Inclusion of Tobacco, Alcohol in Deal; Obama Administration Proposal Limiting Access to Medicines Stirs Fury

CHICAGO – A range of controversies, mostly on health issues, has emerged at negotiations of the Trans-Pacific Free Trade Agreement (FTA) in Chicago this week, such that the vaunted deadline to complete the deal – the November Asia-Pacific Economic Cooperation (APEC) summit in Hawaii – will not be met. And after this eighth round of negotiations, troubling signs are emerging that the Obama administration's first trade deal could roll back initial reforms made on affordable access to medicines made during the last round of George W. Bush-era trade deals, Public Citizen said today.

“While the administration keeps touting this potential first Obama trade pact as a new 21st century model, and instead of implementing the many specific trade reforms President Obama pledged as a candidate to avoid more job loss and ensure import safety, it appears the administration is pushing for something like NAFTA on steroids with Vietnam and Malaysia,” said Lori Wallach, director of Public Citizen's Global Trade Watch.

Growing controversy over the trade deal's threats to domestic regulation of cigarettes and alcohol escalated when the American Medical Association (AMA) made its first foray into the trade debate, sending a letter on Sept. 8 to U.S. negotiators demanding that tobacco and alcohol be excluded from the pact (<http://bit.ly/reyhST>). The AMA and other public health groups (<http://bit.ly/p0a5uC>; <http://bit.ly/qKHd1g>) intensified their focus on trade talks after the World Trade Organization (WTO) ruled recently that the U.S. ban on clove, cola and candy-flavored cigarettes in the 2009 legislation to combat youth smoking violated WTO requirements, and ordered the policy changed (<http://bit.ly/qAz2it>). This followed an attack by tobacco giant Philip Morris Asia against Australia's proposed cigarette “plain packaging” rules using an international commercial agreement (<http://bit.ly/q5zANK>) that follows on a similar assault by a Swiss Philip Morris unit on a similar Uruguayan law initiated last year (<http://bit.ly/pnOqC0>). Both attacks use the “investor-state” private enforcement system the Obama administration is pushing for in the Trans-Pacific pact.

Meanwhile, various countries and U.S. health, consumer and development groups reacted with ire as the Obama administration sought to distract attention from a proposal it was submitting earlier this week to roll back Bush-era 2007 improvements for affordable medicines access by expanding trade pact patent rules. While the U.S. proposal was being submitted behind

closed doors, a paper was released publicly announcing a U.S. “Trade Enhancing Access to Medicines (TEAM) initiative” that was advertised as revealing a new policy to increase access to medicines for consumers. In fact, this initiative simply repackaged many of the most problematic aspects of the long-standing, retrograde U.S. position on trade patent rules that restrict medicinal access (<http://bit.ly/oV99lJ>).

“It is insulting that the Obama administration released this paper on ‘access to medicines’ on the same day that it put forth its most controversial and access-restricting provisions at the Trans-Pacific FTA negotiations,” said Peter Maybarduk, director of Public Citizen’s Global Access to Medicines Program. “The U.S. intellectual property proposal rolls back even some of the few protections for access to medicines in the Bush-negotiated trade pacts. The administration is heading rapidly in the wrong direction, at the expense of global public health.”

The Obama administration’s attempts to roll back the “May 2007” reforms of trade pact patent rules relating to medicine access, its insistence over objections by Australia and other countries that private corporate “investor-state” enforcement be included, and its rejection of exclusions for any product from the deal is likely to add more dead weight to its efforts to pass pending Bush-negotiated trade deals with South Korea, Colombia and Panama. These deals were signed in 2007. After months of insisting votes would happen “within weeks,” it is increasingly likely that Congress could consider the deals in October. These three trade deals contain the same foreign investor rights and private enforcement used by Philip Morris to attack tobacco regulation in other countries.

“Obama folks always say that there just was not much they could do to fix the Bush-negotiated Korea, Colombia and Panama deals, but that when the new administration negotiated its own trade pacts, it would do them differently,” Wallach said. “Well, now they’re negotiating their own trade deal, and it’s looking like a Bush NAFTA-style deal in key respects – and even worse in some areas – and that only builds even more opposition to Obama’s call to pass Bush’s old deals.”

Trans-Pacific FTA negotiations currently include Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam. The next round of Trans-Pacific FTA negotiations will be held next month in Lima, Peru. No high-level negotiations will take place at the APEC summit in Hawaii in November.

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