



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

For Immediate Release:
Aug. 21, 2013

Contact: Maggie Henderson (202) 454-5108

With No Text Agreed for Several Entire Chapters and Most Tough Political Decisions Unresolved, the So-Called ‘Final Round’ of Trans-Pacific Partnership (TPP) Talks Will Not Be the End of Negotiations

Will TPP Negotiations Become Even More Secretive After Imminent 19th Round of TPP Talks in Brunei, Which is Being Called the Last Formal Negotiating Round?

WASHINGTON, D.C. – After announcing for a domestic audience that the Trans-Pacific Partnership (TPP) negotiations were in their “end game,” U.S. Trade Representative (USTR) Michael Froman will face quite a different reality when he meets with TPP nations united in opposition to many core U.S. TPP proposals this week at the start of the 19th round of negotiations in Brunei. Without text for two TPP chapters and no deals on any of numerous difficult market access issues, from dairy and sugar to apparel and rice, it is clear that the Brunei Round will, in fact, not be the final negotiating session. The real question is whether the TPP negotiations coming after the Brunei Round will be unannounced and even more secretive, Public Citizen said today.

Among the most contested aspects of the deal include the U.S. proposals on medicine patents, state-owned enterprises, Internet policy, financial regulatory limits, and environment and labor standards.

Only five of the TPP’s 29 chapters pertain to traditional trade matters. The rest would set policies, to which the U.S. Congress and state legislatures would be required to conform, relating to regulation of energy and other services, financial regulation, food safety, procurement policy, patents and copyright policy, and other non-trade issues. The draft pact also includes NAFTA-style foreign investor rules that facilitate job offshoring by removing many of the risks and costs of relocating U.S. production to low-wage countries. Among TPP negotiating countries is Vietnam, the lower-cost offshoring alternative to China.

One can see why negotiators being deadlocked over entire TPP chapters to the extent that there is not even text is a detriment to the Obama administration’s announced October deadline for signing the TPP on the sidelines of the Asian Pacific Economic Cooperation summit. However, reporters at the Brunei Round or participating in USTR briefings during the round are likely to get the “TPP End Game” spin. As Obama administration officials try to convince Congress that the TPP is almost completed, some questions that the Obama administration would undoubtedly rather avoid:

1. Is the fact that there is no intellectual property chapter text to even negotiate over – even a heavily bracketed text – related to unwavering multi-year opposition to U.S. patent and copyright text proposals?

2. Is the multi-year deadlock over the TPP’s state-owned enterprises chapter going to be resolved in Brunei by the four nations in absolute opposition to the U.S. suddenly changing its position, or by the U.S. giving up on state-owned enterprise disciplines?

3. And what about the labor rights chapter, which is “done”... except for staunch opposition by many TPP countries to it being enforceable. Given that the Obama administration has pledged to Congress that the pact will have labor rights enforceable on par with the pact’s commercial provisions, what will happen to the non-undecided enforcement section of the TPP chapter?

4. And what about the environment chapter? There is a deadlock over not only the chapter’s enforceability but also the key rules such as enforcement of countries’ obligations in environmental treaties.

5. Has the U.S. now conceded to Vietnam the right to have duty-free treatment for apparel products assembled from Chinese textiles and other inputs so that Vietnam is now participating in closing up negotiations on other chapters, which it has not done to date?

6. Given united opposition by the other TPP countries that has thwarted closure to date of several TPP chapters, has the U.S. relented in its insistence that the TPP forbid any signatory country from using capital controls, speculation, or transaction taxes and other common macroprudential financial measures?

7. Have other countries dropped unified opposition to the U.S. proposal in the investment chapter to extend the controversial investor-state system to procurement and private-public-partnership utility management and natural resource contracts through an “umbrella clause”?

8. Will the United States allow Japan to exclude the five “sacred” commodities – rice, wheat and barley, beef and pork, sugar and dairy – from the TPP tariff zeroing, which is the condition for participating in the TPP that was set by the majority LDP party?

“The fact that entire chapters of the TPP remain without even a draft text to fight over won’t be a popular talking point in Brunei, given that the Obama administration is claiming that the agreement is almost done while in reality negotiations will just continue on in even greater secrecy,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “Apparently, the response to the growing opposition to the TPP among the U.S. Congress and the public here, and legislators and the public in other countries, is to drag negotiations even further underground and claim a deal is almost done.”

###

Public Citizen is a national, nonprofit consumer advocacy organization based in Washington, D.C.
For more information, please visit www.citizen.org.