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## Salt Lake TPP Talks End with Growing Pressure to Announce “Deal” at December TPP Ministerial, but No Resolution of Major Controversies

### Update from Lori Wallach, Director of Public Citizen’s Global Trade Watch

A week of intense TPP negotiations, marked with increasingly heavy-handed U.S. tactics, came to an end late Sunday night in Salt Lake City, Utah. Negotiators working on the 12 TPP chapters not yet completed were instructed to narrow disagreements to matters that the chief negotiators or trade ministers will decide. At least three chapters – those covering intellectual property, state owned enterprises and medicine-pricing formularies – did not reach this target. Talks on the controversial intellectual property chapter were extended and will continue for at least two more days. There was no discussion of disciplines to counter currency manipulation despite 230 House and 60 Senate GOP and Democrats demanding such terms.

In Salt Lake City, TPP chief negotiators prepared a long list of final trade-offs and decisions for trade ministers who will meet from December 7-10 in Singapore. Many TPP country governments are billing the Singapore Ministerial as the ‘end game’ of negotiations. The intensity of efforts at Salt Lake City demonstrated that the United States is desperate that its latest end-of-year deadline for TPP’s completion not be missed like three past deadlines.

**Claims that a final TPP deal is close seem incredible, given that it appears that the most politically sensitive issues that have arisen in three years of talks remains unresolved. Controversy is growing in many TPP nations about demanded trade-offs relating to medicine prices, Internet freedom, financial regulation and other sensitive non-trade matters. Plus, Congress’s bottom lines - from disciplines against currency cheating and subsidies on state owned enterprises to enforceable labor and environmental standards - remain unachieved.**

The tone and intensity of these latest talks was different than previous rounds, however. U.S. officials started to roll back from some long-held positions, perhaps because the administration knows it is in a race against time. Opposition in Congress and in various TPP countries is growing as more details leak about TPP’s terms.

The apparent goal for trade ministers meeting in Singapore is to make broad trade-offs on market access and the most controversial policy issues that have been deadlocked and agree on “landing zones” for what they want in a final deal. By withholding any actual agreement text from the public and press, they hope to announce these arrangements as a “final” deal so that there is wide press coverage that creates a sense of inevitability while negotiations continue.

## **Inconvenient Questions As Governments Push for a TPP “Deal” in Singapore:**

### **Negotiations on sensitive Market Access issues**

- *How will the U.S. even negotiate market access terms on autos, agriculture and other sensitive issues with Japan without having sealed its bilateral agreement with Japan that it says is a condition for the country being included in a final TPP?*
- *A supermajority in the U.S. Congress has said TPP must include currency disciplines, but the issue has apparently not even been raised to date. What is the plan?*
- *Japan’s parliament has listed five “sacred” commodities – rice, beef and pork, wheat and barley, sugar and dairy - that it demands be excluded from TPP rules zeroing out tariffs. Will the U.S. reverse its insistence that all sectors be liberalized?*
- *The rules of origin have not been agreed for sensitive sectors such as apparel/textiles, autos and more, so how can final deals be reached on tariff-cutting?*
- *If the U.S. provides new market access on dairy and sugar, will it be commercially significant or only small tariff-rate quotas designed to be used by demander countries as political optics to “show” gains?*

### **Deadlock over enforceability of labor and environment chapter**

- *Because it is a congressional red line, the U.S. has insisted on labor and environmental standards that are enforceable on equal terms with the pact’s other provisions. Most TPP countries oppose enforceable labor and environmental standards altogether. How will this be resolved?*
- *Further, additional issues in the environment chapter remain unresolved. Any rollback from past U.S. FTAs could doom TPP in Congress, so what is the status?*

### **Deadlock over the State Owned Enterprises (SOE) text**

- *There still is not agreed text for this chapter, but did the countries finally agree on a definition of what is a state owned enterprise?*
- *Given that discussions of actual text have only just begun, how can Ministers make high-level decisions on this chapter in Singapore in 12 days?*
- *The U.S. demands disciplines on SOEs that forbid the use of government resources to subsidize SOE activities within TPP nations. A sizable bloc of nations opposes this. A bipartisan supermajority in the U.S. Congress has indicated that it will oppose TPP unless it includes the U.S. version of rules, so how will Ministers handle this issue given other TPP countries have numerous SOEs?*

### **IP chapter patent rules and medicine pricing rules both deadlocked**

- *The U.S. proposal that would deliver on Big Pharma’s demands for extended patents, data exclusivity and other monopoly powers that raise medicine prices continues to face opposition by most other TPP countries. What is the plan to resolve this after four years of deadlock? Is the U.S. giving up on Big Pharma’s demands or did other countries trade away their medicine pricing policies?*

- *In another chapter, an Annex cynically dubbed “Annex on Transparency and Procedural Fairness for Healthcare Technologies,” would allow drug firms to challenge medicine formulary reimbursement and pricing decisions. Did the U.S. finally give up on this or did other countries agree to allow Big Pharma to challenge the decisions of doctors and pharmacologists who determine what medicines will be included on the formularies of countries’ healthcare systems?*

### **Impasse on Copyright Rules**

- *Hollywood and recording industry-inspired proposals to limit internet freedom and access to educational materials, to force internet providers to act as copyright cops, and to cut off peoples’ internet access have triggered public outrage and led to deadlocks on key TPP provisions. Are these issues suddenly on a path to resolution? How?*
- *Also there has been entrenched disagreement about whether copyright should be able to keep works of art and literature out of the public domain 70 years after death of the author. Was this resolved, and, if so, how, given it would require rewrites of most TPP nations domestic laws?*

### **United opposition to the U.S. demand that TPP ban the use of capital controls**

- *With the IMF now endorsing the use of capital controls as ways to avoid floods of speculative capital that cause financial crises, it is not surprising that there is united opposition to the unbending U.S. demand that TPP include a ban on countries’ use of various common-sense macro-prudential measures, including capital controls and financial transaction taxes. How will this be resolved?*

### **Deadlocks over aspects of controversial “investor-state” private corporate enforcement of TPP**

- *Australia’s new conservative government has reiterated that it will not be bound to the investor-state enforcement system, which elevates individual corporations to equal status with sovereign nations in order to enforce privately a public treaty by demanding compensation from governments before panels of private-sector attorneys for government actions that undermine expected future profits. This is long-established Australian policy. Also, Japanese Prime Minister Abe’s Liberal Democratic Party parliamentary majority has set as a condition for Japan’s TPP participation that the deal not include investor-state enforcement. The U.S. insists all countries be bound. Now what?*
- *Other TPP nations oppose the U.S. demand that government natural resource concession, private-public-partnership utility management contracts and procurement contracts be subject to such extra-judicial processes. How will this and a set of other deadlocked issues be suddenly resolved in Singapore after disagreements for the last four years?”*

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