Fast Track and the Trans-Pacific Partnership

- Given that its underlying structural design removes control over the terms of trade agreements from the Congress, **Fast Track cannot be fixed with stronger negotiating objectives.** Fast Track’s procedural elements must also be replaced.
  - By granting the executive branch the power to unilaterally select trading partners, set the terms of trade agreements, sign the agreements and then force implementing legislation to a vote without amendment, Fast Track makes any Congressionally-mandated “negotiating objectives” impossible to enforce — necessitating that a Congressional majority vote down a completed trade agreement in its entirety, rather than simply offer an amendment to proposed texts before the pact is signed.
    - There are numerous examples of administrations ignoring Congressional “negotiating objectives” under Fast Track. The 1988 grant of Fast Track, for instance, required that labor rights be included in trade agreements. The George H.W. Bush-administration chose to ignore this requirement, and both the North American Free Trade Agreement (NAFTA) and World Trade Organization (WTO) were negotiated without labor standards included in the core texts.

Fast Track is always inappropriate — and especially so for a pact as large and far-reaching as the Trans-Pacific Partnership

- The TPP is the most significant U.S. trade and investment pact in at least a decade. Congress should be acting to exert — not abandon — its constitutional authority over determining the TPP’s term.
  - With Japan’s entry, the TPP is now poised to set policy for approximately 40% of the global economy — affecting not only tariffs and quotas, but also government procurement decisions, financial regulations, medicine patents, food safety standards, telecommunications policy, energy exports, Internet protocols, state sovereignty and more.
  - The TPP’s docking mechanism means both that the pact could grow beyond its current dozen nations and that it is likely to have lasting impacts on U.S. policy for decades to come.

- **After more than three years and 17 major rounds of TPP negotiations, the Office of the U.S. Trade Representative still refuses to tell the American public what it has been proposing for the TPP in our names** — despite requests for greater transparency by 132 members of the U.S. House of Representatives, the Chair of the Senate Trade Subcommittee, hundreds of civil society organizations and literally tens of thousands of individual Americans.
  - Passing Fast Track for the TPP would allow the Obama administration to complete the negotiations in secret, sign the pact and present it to Congress for a mandatory take-it-or-leave-it vote — leaving the public with no realistic opportunity to meaningfully influence the TPP’s terms during its formative stages.
Trade agreements are possible without Fast Track

- Hundreds of trade agreements have been approved in recent decades without Fast Track. It has only been the large, far-reaching, NAFTA-style pacts that delve far into non-trade areas of U.S. policy and that have been the subject of considerable public opposition that have required Fast Track to pass through Congress.

- Already, more than 400 organizations, together representing over 15 million Americans, have called upon Congress to reject Fast Track for the TPP and instead develop a new trade agreement negotiating and approval process that requires greater transparency, public participation and Congressional oversight.

- Fast Track was first developed 40 years ago, when trade agreements mostly covered tariffs and quotas. Commonsense recommendations for how Congress could replace Fast Track today include:
  - Identifying what the United States hopes to get out of a trade agreement with a particular country before starting negotiations;
  - Setting mandatory negotiating requirements that tell the U.S. Trade Representative what Congress expects of them — and including an objective process for certifying that those requirements have been met;
  - Requiring that U.S. proposals for a trade agreement and subsequent draft negotiating texts be published online; and
  - Requiring a Congressional vote on trade agreements before the president is allowed to sign them.

- With mention of Fast Track in the President’s 2013 Trade Policy Agenda, and renewed calls for the introduction of Fast Track legislation from the outgoing Senate Finance Chair and others, now is the time for Members of Congress to speak out publicly about their opposition to Fast Track and their support for a more democratic process.

Concerns about the TPP’s current direction

- We want a trade policy that creates jobs, protects the environment and promotes public health. Unfortunately, the legacy of recent trade agreements has been just the opposite and we don’t have confidence that the TPP is going to achieve these goals without Congress exerting its authority and exercising additional oversight over the negotiations.

- Because of an increase of U.S. oil exports and a decrease in oil imports, the overall U.S. trade deficit dropped in 2012, but if you take oil out of the equation, the U.S. deficit in goods actually rose six percent in 2012 to $628 billion, the largest non-oil U.S. trade deficit in the last five years.

- Under our last three Free Trade Agreements — the Korea, Colombia and Panama FTAs, which took effect in 2012 — combined U.S. exports to the three countries actually fell by four percent in 2012 relative to the same months in 2011.

- We were particularly told to believe that the largest of the three — the Korea Free Trade Agreement — would be a job creator for American workers. Our bilateral trade deficit with South Korea increased by 30% over its first year, suggesting job loss instead of job growth under the pact. Not only are imports up, but exports to South Korea are actually down 9%. 
The Trans-Pacific Partnership dwarfs the Korea FTA in terms of its geographic and economic impact. It’s far, far bigger than even NAFTA. With Japan’s entry, it now covers approximately 40% of the global economy. But there’s little indication that the administration has taken the lesson of the Korea FTA specifically or NAFTA-style trade agreements in general to heart.

In November, two-dozen Senators wrote to the President with commonsense suggestions for turning around the nation’s trade policy so that it does become a job creator rather than a net job destroyer. Ideas they suggested include:

- Ensuring the TPP doesn’t roll back “Buy American” government procurement requirements or other purchasing programs that keep taxpayer dollars creating jobs for Americans;
- Requiring strong Rule of Origin provisions to ensure that the benefits of new market access agreements go to the countries that are actually party to the agreement;
- Ensuring that State Owned Enterprises that do business cross-border are required to operate on a level playing field;
- Eliminating special investor privileges that create an incentive to offshore; and
- Including explicit safeguards against currency manipulation.

Another critical piece is obviously having labor standards that are strong enough to actually protect human rights abroad and jobs here at home.

- Some of the countries in the TPP — Vietnam in particular — are specifically marketed to investors as low-cost labor alternatives to China. Countries like Vietnam and Brunei specifically bar independent trade unions by law. Vietnam, Malaysia and Peru are also all on the State Department’s watch list of countries that use forced labor.
- It’s not appropriate to sign a special trade agreement with a country until it has proven that it respects basic labor rights.

Leaked texts for the Trans-Pacific Partnership further show the U.S. Trade Representative pushing for intellectual property standards that effectively extend the length of monopoly drug patents. That could increase health care costs in developed countries, while preventing access to lifesaving generic medications in poorer countries.

We know that Wall Street has pushed for Financial Services Agreements in trade pacts that limit governments’ ability to establish firewalls between different types of banking; to regulate against “too big to fail”; to ban the trade of risky financial products; and to implement capital controls.

We’re concerned that the Sanitary and Phytosanitary provisions of trade agreements could weaken or limit food safety standards, as well as consumer-right-to-know regulations.

We also don’t want the Investment chapter of any trade agreement undermining democratic decision-making when it comes to environmental protections and other public interest laws.