ORGANIZATIONAL SIGN-ON LETTER OPPOSING THE TPP

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Dear Representative / Senator:

We urge you to oppose the Trans-Pacific Partnership (TPP), a binding pact that poses significant threats to American jobs and wages, the environment, food safety and public health, and that falls far short of establishing the high standards the United States should require in a 21st Century trade agreement.

If enacted, the TPP would set rules governing approximately 40% of the global economy, and includes a "docking" mechanism through which not only Pacific Rim nations, but any country in the world, could join over time. The questions policymakers should be asking about these rules is whether, on the whole, they would create American jobs, raise our wages, enhance environmental sustainability, improve public health and advance human rights and democracy. After careful consideration, we believe you will agree, the answer to these questions is no.

Our opposition to the TPP is broad and varied. Below are just some of the likely effects of the TPP that we find deeply disturbing.

Offshoring U.S. jobs and driving down wages

The TPP would offshore more good-paying American jobs, lower wages in the jobs that are left and increase income inequality by forcing U.S. employers into closer competition with companies exploiting labor in countries like Vietnam, with workers legally paid less than 65 cents an hour, and Malaysia, where an estimated one third of workers in the country's export-oriented electronics industry are the victims of human trafficking.

The TPP replicates the investor protections that reduce the risks and costs of relocating production to low wage countries. The pro-free-trade Cato Institute considers these terms a subsidy on offshoring, noting that they lower the risk premium of relocating to venues that American firms might otherwise not consider.

And the TPP's labor standards are grossly inadequate to the task of protecting human rights abroad and jobs here at home. The countries involved in the TPP have labor and human rights records so egregious that the "May 10th" model — which was never sufficient to tackle the systemic labor abuses in Colombia — is simply incapable of ensuring that workers in Mexico, Vietnam, Malaysia and all TPP countries will be able to exercise the rights they are promised on paper. Even if the labor standards were much stronger, the TPP is also so poorly negotiated that it allows products assembled mainly from parts manufactured in "third party" countries with no TPP obligations whatsoever to enter the United States duty free.

The TPP contains none of the enforceable safeguards against currency manipulation demanded by a bipartisan majority in both chambers of Congress. Thus, the often modest tariff cuts achieved under the pact for U.S. exporters could be easily wiped out overnight by

countries' willingness to devalue their currencies in order to gain an unfair trade advantage. Already, the TPP includes several notorious currency manipulators, and would be open for countries such as China to join.

In addition, the TPP includes procurement requirements that would waive "Buy American" and "Buy Local" preferences in many types of government purchasing, meaning our tax dollars would also be offshored rather than being invested at home to create jobs here. Even the many Chinese state-owned enterprises in Vietnam would have to be treated equally with U.S. firms in bidding on most U.S. government contracts. The pact even includes financial services provisions that we are concerned might be interpreted to prohibit many of the commonsense financial stability policies necessary to head off future economic crises. The TPP is a major threat to the U.S. and global economy alike.

Undermining environmental protection

The TPP's Environment Chapter rolls back the initial progress made in the "May 10th" agreement between congressional Democrats and President George W. Bush with respect to multilateral environmental (MEAs) agreements. The TPP only includes an obligation to "adopt, maintain, and implement" domestic policies to fulfill *one* of the seven MEAs covered by Bush-era free trade agreements and listed in the "Fast Track" law. This omission would allow countries to violate their obligations in key environmental treaties in order to boost trade or investment without any consequences.

Of the new conservation measures in the TPP, most have extremely weak obligations attached to them, requiring countries to do things such as "exchange information and experiences" and "endeavor not to undermine" conservation efforts, rather than requiring them to "prohibit" and "ban" destructive practices. This stands in stark contrast to many of the commercial obligations found within the agreement.

The TPP's controversial investor-state dispute settlement (ISDS) system would enable foreign investors to challenge bedrock environmental and public health laws, regulations and court decisions as violations of the TPP's broad foreign investor rights in international tribunals that circumvent domestic judicial systems — a threat felt at home and throughout the Pacific Rim.

Despite the fact that the TPP could threaten climate policies, increase shipping emissions and shift U.S. manufacturing to more carbon-intensive countries, the TPP fails to even include the words "climate change."

Jeopardizing the safety of the food we feed our families

The TPP includes language not found in past pacts that allows exporters to challenge border food safety inspection procedures. This is a dire concern given the TPP includes countries such as Vietnam and Malaysia that export massive quantities of shrimp and other seafood to the United States, significant amounts of which are now rejected as unsafe under current policies.

As well, new language in the final text replicates the industry demand for a so-called "Rapid Response Mechanism" that requires border inspectors to notify exporters for every food safety check that finds a problem and give the exporter the right to bring a challenge to that port inspection determination. This is a new right to bring a trade challenge to individual border inspection decisions (including potentially laboratory or other testing) that second-guesses U.S. inspectors and creates a chilling effect that would deter rigorous oversight of imported foods.

The TPP additionally includes new rules on risk assessment that would prioritize the extent to which a food safety policy impacts trade, not the extent to which it protects consumers.

Rolling back access to life-saving medications

Many of the TPP's intellectual property provisions would effectively delay the introduction of low-cost generic medications, increasing health care prices and reducing access to medicine both at home and abroad.

Pharmaceutical firms obtained much of their agenda in the TPP. This includes new monopoly rights that do not exist in past agreements with respect to biologic medicines, a category that includes cutting edge cancer treatment. The TPP also contains requirements that TPP nations allow additional 20-year patents for new uses of drugs already under patent, among other rules that would promote the "evergreening" of patent monopolies. Other TPP provisions would enable pharmaceutical companies to challenge Medicare drug pricing decisions and constrain future U.S. policy reforms to reduce healthcare costs.

With this agreement, the United States would shamefully roll back some of the hard-fought protections for access to medicine in trade agreements that were secured during the George W. Bush administration. Indeed, the pact eviscerates the core premise of the "May 10th" reforms that poor nations require more flexibility in medicine patent rules so as to ensure access. All of the TPP's extreme medicine patent rules will apply equally to developing countries with only short transition periods for application of some of the rules.

Elevating investor rights over human rights and democracy

Contrary to Fast Track negotiating objectives, the TPP's Investment Chapter and its ISDS system would grant foreign firms greater rights than domestic firms enjoy under U.S. law. One class of interests — foreign firms — could *privately enforce* this public treaty by skirting domestic laws and courts to challenge U.S. federal, state and local decisions and policies on grounds not available in U.S. law and do so before extrajudicial tribunals authorized to order payment of unlimited sums of taxpayer dollars. Under the TPP, compensation orders could include the "expected future profits" a tribunal determines that an investor would have earned in the absence of the public policy it is attacking.

Worse, the TPP would expand U.S. ISDS liability by widening the scope of domestic policies and government actions that could be challenged. For the first time in any U.S. free trade agreement, the provision used in most successful investor compensation demands would be extended to challenges of financial regulatory policies. The TPP would extend the

"minimum standard of treatment" obligation to the TPP's Financial Services Chapter's terms, allowing financial firms to challenge policies as violating investors' "expectations" of how they should be treated. Meanwhile, the "safeguard" that the U.S. Trade Representative (USTR) claims would protect such policies merely replicates terms that have failed to protect challenged policies in the past.

In addition, the TPP would newly allow pharmaceutical firms could use the TPP to demand cash compensation for claimed violations of World Trade Organization (WTO) rules on creation, limitation or revocation of intellectual property rights. Currently, WTO rules are not privately enforceable by investors.

With Japanese, Australian and other firms newly empowered to launch ISDS attacks against the United States, the TPP would *double* U.S. ISDS exposure. More than 1,000 additional corporations in TPP nations, which own more than 9,200 subsidiaries here, could newly launch ISDS cases against the U.S. government. About 1,300 foreign firms with about 9,500 U.S. subsidiaries are so empowered under *all* existing U.S. investor-state-enforced pacts. Most of these are with developing nations with few investors here. That is why, until the TPP, the United States has managed largely to dodge ISDS attacks to date.

In these, and multiple other ways, the TPP elevates investor rights over human rights and democracy, threatening an even broader array of public policy decisions than described above. This, unfortunately, is the all-too-predictable result of a secretive negotiating process in which hundreds of corporate advisors had privileged access to negotiating texts, while the public was barred from even reviewing what was being proposed in its name.

The TPP does not deserve your support. Had Fast Track not become law, Congress could work to remove the misguided and detrimental provisions of the TPP, strengthen weak ones and add new provisions designed to ensure that our most vulnerable families and communities do not bear the brunt of the TPP's many risks. Now that Fast Track authority is in place for it, Congress is left with no means of adequately amending the agreement without rejecting it entirely. We respectfully ask that you do just that.

Thank you for your consideration. We will be following your position on this matter closely.

Sincerely,