

The Sudbury Democratic Town Committee respectfully requests that you vote against adoption of the “fast track” process for approval of the Trans Pacific Partnership free trade agreement, if and when that option comes before Congress.

Dear Senator / Representative) _____:

We understand that in near future Congress will be asked to approve the “fast track” process to finalize the Trans-Pacific Partnership (TPP), the largest “trade” agreement ever, encompassing initially 12 countries around the Pacific Rim, including the United States. We believe there are many features of this secretive proposal that are contrary to the best interests of the American people and need to be debated by Congress in detail. We therefore ask that you vote against the fast track process for TPP approval if and when it comes up for a vote.

The TPP has been under secret negotiation for six years, and its terms, set forth in a large document, became partially known through leaks by negotiators. Last June, Congress was allowed privately to see the draft rules, and in November of 2014, Wikileaks published the draft chapter on intellectual property rights. This trade agreement is relatively unknown to the people and largely unexplored by Congress. This obscurity is sufficient reason alone for Congress to consider the TPP deliberatively and in detail. Under the fast track process, Congress grants the administration the power to finalize terms of the agreement, propose changes in or revocation of federal laws potentially in conflict, and present the entire package to Congress for an up or down vote with limited debate and no possibility for changes or amendments. It is important to consider that the 12 partner nations generate together 38% of the world’s economy, so that the TPP has the potential to have great impact on jobs and worker pay and security in the US. There are many reasons for our concern about TPP, and we discuss a few of the more important ones below.

Adjudication of disputes. Trade complaints under TPP (as well as under CAFTA and NAFTA) would be decided by secret tribunals created by the World Bank or United Nations under WTO guidelines. In such tribunals, an industry can sue a nation under a process called Investor-State Dispute Settlement (ISDS), which effectively elevates an industry or business to nation equivalency and excludes all other stake-holders, such as environmental, labor, small business, and community interests. In such suits, a business need only show that some national, state or regional regulation might restrict expected future profits to win its case and receive financial compensation from the offending nation. Revocation or rewording of the offending law is also required. Thus, under previous and proposed trade agreements, the terms of the agreement stand superior to laws of the nation. Each case is heard by three “tribunalists” drawn from a pool of private attorneys, many of whom are employed otherwise as corporate lawyers. Decisions of the tribunals cannot be appealed. Due process, as commonly understood, is not part of the ISDS process.

End of “buy local” programs. One draft rule of TPP states that all corporations based in any member nation must be given equal access to the public money, which that government spends on equipment, food, infrastructure projects, etc. Thus, national, state, and local governments would not be free to give preference to suppliers of choice. Similarly, “buy green”,

“sweatshop free”, “prevailing wage” and other programs that link public spending to people’s values could be challenged.

TPP gives advantage to repressive governments and labor exploitation. There are many Asian countries, e.g. Vietnam, in which worker abuse is rife, including child labor, exploitive wage scales, and lack of unions. The minimum wage in Vietnam is about \$0.52 per hour. Labor is not only cheap, but often abused as a matter of business and government policy. TPP would give such nations automatic duty-free access to the markets of every member country and surely would result in the further exodus of industry toward cheap labor. TPP would encourage or force countries with high labor standards to lower them to compete with ultra cheap labor elsewhere – a no-win race to the bottom. The US has lost at least several million jobs in the manufacturing and service sector under the NAFTA, CAFTA, and a few lesser free trade agreements, and it is likely to lose more under the proposed TPP. As far as is known, the TPP will not encourage union organization nor advocate living wages, job security, pensions and retirement security, workers’ health care, and decent housing for labor and families. These all would seem to be subject to market forces and economic efficiency.

Piggyback free trade. Under certain circumstances, non-partner countries could move their goods tariff-free into the TPP free trade zone. Vietnam, for example, could import products from non-partner China, combine them with Vietnamese products, label the final item as Vietnamese and move it tariff-free into the partner nations.

TPP would deregulate just about everything pertaining to business and financial practices and greatly expand the reach and power of industry. The cost of a foreign bank failure could be borne largely by the host country rather than investors, if the bank could show in an ISDS tribunal that national banking regulations contributed significantly to the failure. “Robin Hood Taxes” on investment transactions would be forbidden, and a nation’s financial regulations would need to be “harmonized” to comply with TPP’s rules. These rules would also prohibit: Limiting the size of banks; creating firewalls (such as that of the now-revoked Glass-Steagall Act) to separate risky investing from basic banking; limiting the sale of instruments, such as derivatives and credit default swaps; and restrictions on large and destabilizing flows of money between countries. Altogether, extreme deregulation of capital controls would encourage speculation and likely set the stage for a collapse, as occurred in 2008. Patents would be extended for benefit of the pharmaceutical industry. Countries would be forced to weaken strict food safety standards relating to pesticide levels, toxic additives, GMO, food origins, etc. Similarly, strict environmental regulations and those requiring industry to be taxed or fined for neglecting externalities would need to be weakened. TPP would also limit the ability of countries to regulate cross-border data processing and telecommunication. In fact, most of the TPP draft document has little to do with trade (tariffs, subsidies and such) and much to do with freeing industry from accountability for what it does and from responsibility for the world’s common good. Indeed, the TPP and prior free trade agreements can be thought of as an expanding capitalistic world government not subject to popular control.

Once approved, TPP is set in stone. Once adopted by Congress, the US will be unable to change any part of TPP unless every other country agrees with the suggested revision. A nation can quit TPP, but separation is delayed by a year due to a “hangover” clause. A further

complication comes from the intention not to release the actual text of the agreement until 4 years after a deal is reached.

The SDTC hopes that you will examine the proposed TPP at length, come to recognize its shortcomings and intense business focus, and reject the fast track process that the President is expected to ask of Congress. TPP as presently construed would be truly a marriage of unequal partners, a marriage that might reward investors but damage the American economy and jobs as a whole. At the very least, TPP must be subject to public control in order to eliminate its worst features and preserve those features that might broadly benefit the people of the Partnership.

Sincerely,

Sudbury Democratic Town Committee

by its Secretary,
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