

The Secret Pacific Rim Agreement for Unprecedented Corporate Power

By Lori Wallach

Public-interest advocates call it “NAFTA on steroids in Asia,” but the public, the press, and even members of Congress didn’t know what was being negotiated in the Transpacific Partnership agreement until some of it was leaked last June. The full text is still unknown.



Have you heard about the devastating new sneak attack corporate America has launched? A dream of the 1 percent, in one blow, it could:

- Off-shore millions of American jobs
- Free the banksters from oversight to crash the global economy again
- Jack up the price of medicines
- Flood us with unsafe food and products
- Ban Buy America policies needed to create green jobs and rebuild our economy
- Empower corporations to attack our environmental and health safeguards before tribunals of corporate lawyers, and demand unlimited taxpayer dollars as compensation

Meet the Trans-Pacific Partnership (TPP) “free trade” agreement.

Warning: it's not really mainly about trade. Rather, the usual gang of American job off-shorers, banksters, oil, gas and mining giants, and agribusiness monopolists—the ones that got us into the North American Free Trade Agreement (NAFTA)—have designed a stealthy Trojan horse strategy. They're using negotiations that they have branded as "trade" as their delivery mechanism to impose many non-trade policies that could undermine our basic needs and rights.

Officials from the U.S. and eight Pacific Rim nations—Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam—are in intensive, closed-door negotiations meeting every six weeks to sign a TPP deal in 2012. Every Pacific Rim nation from China and Russia to Indonesia could eventually be included. Mexico and Canada just joined, making TPP truly NAFTA-on-steroids with the world.

There are draft texts for 26 TPP chapters, most of which have nothing to do with trade, but rather impose limits on domestic food safety, health, environmental, and other policies. The governments won't release the texts to the public, press, or congressional staff. But 600 U.S. corporate "trade advisors" have full access. Some texts have leaked; here is what we know:

Job Loss, Greater Income Inequality: This deal is slated to include the extreme foreign investor protections that help corporations off-shore American jobs to low-wage countries. These NAFTA-style terms give special benefits to firms that relocate investment and jobs – and this deal includes Vietnam, the low-cost off-shoring alternative to even China. Since NAFTA and the global WTO, the U.S. has lost 5 million (1 out of every 4) of its manufacturing jobs, while 42,000 manufacturing plants have closed. (You can check trade jobs loss in your state at www.tradewatch.org – go to the "Trade Data Center.") At the same time, we are off-shoring service-sector jobs in computer programming, engineering, accounting, medical diagnostics, and more. Government data show that when workers lose manufacturing jobs to trade, or professional service sector jobs are off-shored, then wages across the economy are pushed down. The result: real median wages are barely above 1970s levels, even as American worker productivity has soared.

SOPA-style Attack on Internet Freedom: While Americans' activism nationwide tanked the extreme Stop Online Piracy Act (SOPA), many of the same provisions exist in TPP's copyright chapter. This includes imposing penalties on Internet providers unless they police how you use the Internet and slamming consumers with fines for small-scale, non-commercial copying of content. The ACLU called TPP "the biggest threat to free speech and intellectual property that you've never heard of."

Benefits for Banksters: Wall Street wants to use the TPP to roll back new safeguards that many nations have passed to get banks and securities firms under control and restore financial stability. Governments would not be allowed to ban risky financial services or products, impose limits on the size of firms so they cannot get too big to fail, or use "capital controls" to avoid future crises by forestalling floods of hot

money speculation. Translated out of technical jargon: This deal would be a get-out-of-regulation free card for the financial firms that wrecked our economy.

U.S. Environmental, Health Laws Attacked: The pact would include expansion of the notorious “investor-state” enforcement system. This empowers corporations to use World Bank and UN tribunals staffed by private corporate lawyers to skirt domestic laws and courts and directly sue our government to demand unlimited taxpayer compensation if they think our laws limit their “expected future profits.” Really! Under NAFTA alone, over \$350 million already has been paid to foreign investors in successful corporate attacks on toxic bans, land use rules, and timber policies. And over \$12 billion more in claims is pending against environmental, safety, public health policy under NAFTA-style deals. Under the TPP, foreign firms could even challenge changes to government procurement contracts outside the national administrative and court system—a privilege local firms don’t get.

Higher Medicine Prices: Big Pharma would get extreme new privileges that would jack up prices and cut consumers’ access to life-saving medicines. This is not only about the big drug companies getting long monopoly patent terms to charge whatever they want, but also it would set new limits on access to drug safety test data so that even when patents ended, generic drugs could not be produced to bring down costs. Plus, there is even a proposal to establish new restrictions on cost-saving drug formularies. This attack is aimed at the successful medicine cost savings programs in New Zealand and Australia, but it could boomerang back to undermine similar programs used for Medicare, Medicaid, and the Veterans Administration.

continued



Closed-door negotiations have been taking place between the United States administration and these Pacific Rim partners: Australia, Brunei, Chile, Malaysia,

New Zealand, Peru, Singapore, and Vietnam. Mexico and Canada have recently become partners, as well.

Map: Screenshot from Canadian Broadcasting Corporation

Ban on “Buy American”: All firms operating in any signatory country must be given equal access to U.S. procurement contracts – rather than us recycling our tax dollars here to create American jobs. And local, state, and federal laws that condition access to government contracts on firms providing living wages or health would be subject to challenge. Companies could not be barred because of the horrible human rights conditions of their home countries or the firm’s record. That means Chinese government-owned firms in Vietnam where independent labor unions are forbidden would get equal treatment with American firms that meet U.S. labor, health, and safety standards in getting contracts for goods and service bought by the government paid for with our tax dollars. By limiting the permissible terms for such contracts, the TPP would turn what is now an important policy tool to create jobs and develop new green technologies into a new corporate off-shoring opportunity. For instance, specifications like “renewable/recycled” or “sweat free” and obligations for firms to meet prevailing wages could be challenged.



See No Evil

American actress Q’orianka Kilcher (above), an environmental and indigenous-rights activist of indigenous-Peruvian heritage, was with Rainforest Action Network at the site of the TPP negotiations to demand a release of the texts. While film-

with her cell phone, the star of the film Pocahontas was handcuffed and arrested. She was the only person arrested, presumably because she was filming.
—compiled from reports in Indian Country Media Network, September 19, and Rainforest Action Network, September 14, 2012

That's just the surface of it. A lot more is at stake with this TPP corporate power grab dressed up as a trade agreement. The pact also includes chapters that would require privatization of public services, and deregulation of essential services, such as energy, health, and education. It would provide oil, gas, and mining corporations with new rights over natural resources. It would require us to accept food imports that do not meet our safety standards, while undermining consumer labeling.

All this begs an obvious question: Why has the current administration made this damaging corporate power tool initially cooked up by the previous administration its top "trade" policy priority?

The most hopeful explanation is ignorance facilitated by the sad habit of elite fealty to the "free trade" brand and extraordinary secrecy that has shut down media coverage and external alarms that might otherwise warn officials outside of the "trade" policymaking silo about what is really at stake. Those in the U.S. government who are positioned to know the expansive non-trade policy implications are also those who support this approach, including many Clinton-era retreads connected to the passage of NAFTA.

Yet if these talks result in the adoption of a final agreement based on the framework now under negotiation, it could lock our country onto a future path devastating to most of us.

The only good news is that, in the past, some attempts to use the "trade" negotiation Trojan horse to impose this sort of wide-ranging extreme retrograde governance regime have been foiled. This includes the derailment of the Free Trade Area of the Americas, the Multilateral Agreement on Investment—and the original Asia Pacific Economic Cooperation Free Trade Agreement. Then, as now, the public, policymakers, and the press can help derail these stealth attempts to undermine democracy by awakening to the threat before it is too late.



Lori Wallach, director of Public Citizens Global Trade Watch, with a protester at an anti-TPP rally in Japan.

Action: Request that your congressional representative and senators send you a copy of the TransPacific Trade Agreement, and alert them to the fact that the public interest, not the profit of transnational corporations, is in your interest. Check with Public Citizen for the members of Congress concerned about specific issues raised by the TPP agreement.

Lori Wallach is the director of Public Citizen’s Global Trade Watch division, Washington, D.C. Working with civil society, scholars, and activists in developing countries and with U.S. congressional, environmental, labor, and other allies, Wallach has played an important role in fostering the growing debate about implications of different models of trade and globalization.

Editor’s Update: Groups advocating for the public interest demanded transparency and to participate in the latest round of negotiations of the TPP agreement that took place at Lansdowne Resort in Leesburg, Virginia, on September 14. According to Global Watch Research Director Ben Beachy’s blog, “While Public Citizen and other organizations welcomed the opportunity to present critiques to negotiators, calling the event ‘engagement’ stretches the word beyond its bounds.” He describes an environment that restricted and marginalized any real public engagement. Reports, videos, more information about public advocacy pushback, protests, etc.: <http://www.citizen.org/trans-pacific-partnership-leesburg-round-14>