



CityViews: Queens Biz Owner Knocks Obama's Trans-Pacific Trade Deal

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January 20, 2016

President Barack Obama's last State of the Union address featured an incongruent call for congressional approval of a policy that would undermine many of the landmark achievements of his presidency.

He prioritized passage of the Trans-Pacific Partnership (TPP), a controversial trade deal that would undermine Obama's legacy of economic recovery, climate, health care access, LGBT equality, financial reform, and U.S. auto industry rescue achievements.

The final TPP text was finally released in November after seven years of secretive negotiations during which 500 official U.S. trade advisors representing corporate interests had special access and Congress, the public and press were shut out.

While Obama touted the American jobs he has created, the TPP includes rules that make it cheaper and less risky to offshore more American jobs to low wage countries. The pro-free trade Cato Institute calls these investor protections a subsidy on job offshoring.

A recent economic modeling study concluded that netting out potential gains and losses, the pact could cost another 450,000 American jobs. Since the North American Free Trade Agreement (NAFTA), we have endured a net loss of more than 57,000 U.S. manufacturing facilities and already have lost one out of every four American manufacturing jobs.

The TPP also would directly contradict Obama's efforts to reduce U.S. health care costs by expanding monopoly patent protections for big pharmaceutical firms. This allows them to stop competition and raise medicine prices. The TPP would also empower large drug firms to meddle in U.S. government reimbursement decisions for taxpayer-funded programs like Medicare and Medicaid.

The TPP would even undermine the president's successful rescue of the U.S. auto industry, which saved thousands of U.S. jobs. It would allow vehicles comprised mainly of Chinese and other non-TPP country parts and labor to gain duty free access here. This would gut the rules of origin established in NAFTA that condition duty free access on 62.5 percent of value being from NAFTA countries. Ford has supported all past U.S. trade deals, but opposes the TPP.

Senator Elizabeth Warren has warned that the TPP could help banks unravel the new rules Obama achieved on Wall Street by prohibiting bans on risky financial products and “too big to fail” safeguards while empowering foreign banks to “sue” the U.S. government over new financial regulations.

So why is Obama pushing the TPP? He said it provides tax cuts on 18,000 products and thus would boost exports. But we already have free trade deals that cut these taxes with the TPP countries accounting for 80 percent of the TPP bloc’s economic activity. And we do not even sell a majority of the 18,000 products that get the tax cuts.

The president also said we need TPP to counter China. But the final TPP text rolls back national security language included in all past U.S. trade deals for a decade. And, the TPP rules would undermine our national interests and weaken us by providing benefits for firms that offshore American jobs, give banks new tools to roll back Wall Street regulations, and empower foreign firms to "sue" the U.S. government and raid our Treasury over our health and environmental policies.

The TPP would double down on NAFTA's rules – the opposite of Obama’s 2008 campaign promise to renegotiate the unpopular pact. Obama must choose between his agenda and its legacy or the TPP: He cannot have both.