

# DAILY KOS

## **IN-DEPTH: How President Obama's trade deal is a corporate 'Axis of Evil' and Why it must be stopped**

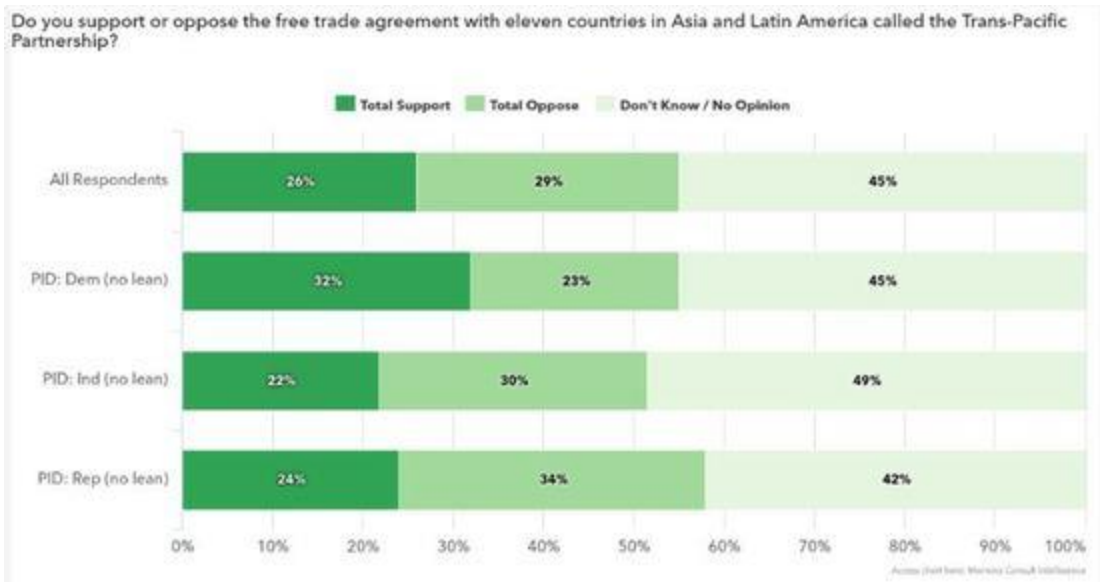
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July 16, 2016

**Note to readers:** this diary is not a commentary on party unity nor a criticism of Hillary Clinton or Donald Trump. It is an analysis of the TPP and is intended to both inform and persuade. I have made every effort to cite credible sources to back up any and all claims made herein about the trade deal. All bolding and underlining is my own. The reason why this diary is tagged in the Trump, Clinton, Sanders sections is because it is a highly potent and important deal and it is essential that more discussion of it be brought into the public arena. That said, happy reading.

### The Plan to Pass the TPP

In a conference call today, AFL-CIO President Richard Trumka expressed confidence that the controversial and still little known Trans Pacific Partnership (TPP) trade deal would be defeated stating that “The TPP is hanging on by a thread” and that the “next president will certainly oppose it.” However, underneath all the bravado and the efforts by the unions, there is little reason for confidence. The Obama Administration has continued to aggressively lobby Congress and the American people on the TPP, repeatedly stating that the deal will “create jobs”, and has many binding provisions in it to raise labor and living standards in third world countries like Vietnam while maintaining (if not also raising) current standards here at home. U.S. Trade Representative Michael Froman has said that the deal could be passed this year. Furthermore, powerful lobbying organizations and groups such as the National Free Trade Council (NTFC), Wall Street, multinational corporations (such as Comcast and Google) and other forms of evil have continued their efforts on capitol hill as they and the President attempt to ram the TPP through. Specifically during the lame duck session, a move which Froman characterized as the “window of opportunity” to get it passed. Why the lame duck session? This strategy is being pursued for several reasons.



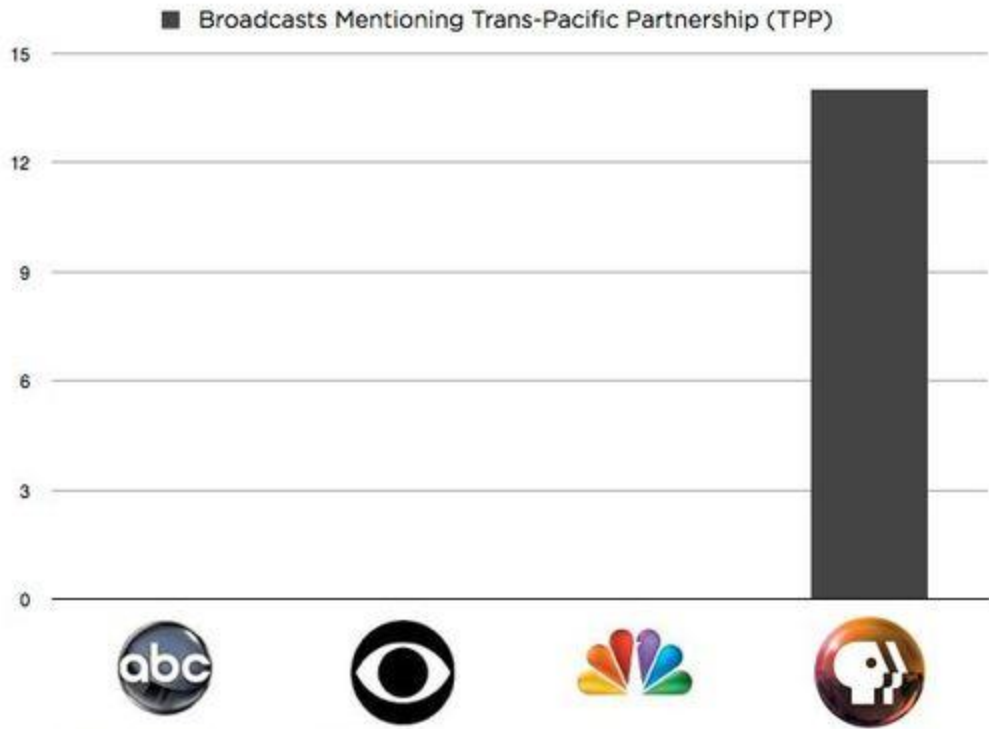
49% or virtually half of respondents who identified as Independents did not know or had no opinion on the TPP. A similar, but less extreme percentage, was the case for respondents who identified as Democrats or Republicans.

First, the lame duck session is unaccountable as many members such as Representative Randy Forbes (R-VA), who lost their bids for reelection, will be able to vote for it without fearing public reprisal. Second, it is likely fewer Americans than usual will be keeping an eye on Congress directly after the November elections as the headlines are usually dominated by the news regarding the transfer of power and much of the election excitement over.

Indeed, even a deal as wide ranging and impactful as the TPP, which a significant number of Americans are still in the dark about, could pass largely unnoticed. The Morning Consult poll, cited above (and in the picture above), is from March 16 of this year and showed a whopping 45%, almost 5 in 10 Americans, **do not know** what the TPP is. Let me repeat that: 45% of Americans do not know what the TPP is. That was exactly three months ago. Even more embarrassing is another finding of the poll, which was that 72% of those surveyed **had not even heard about the TPP** or had heard little about it. Sadly, with Donald Trump dominating the headlines 24/7 (thanks to \$2 billion in free media coverage) and the major media continuing its blackout of any TPP coverage, those dismal numbers are unlikely to improve, something which Froman and President Obama will be glad to hear. Public ignorance plays right into the TPP strategy. It is an indefensible policy, so the less the public knows about it, the better the chances are of getting it passed.

# Evening News Refuses To Inform Viewers On TPP

## *PBS NewsHour* Has Zero Competition On Trade



MEDIAMATTERS

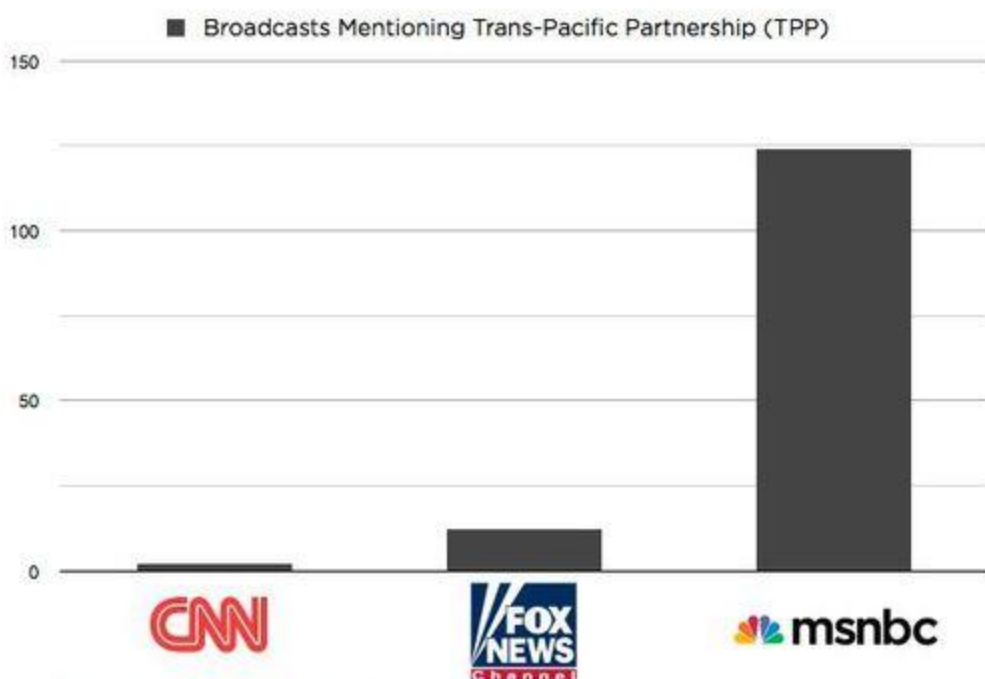
Period: Weekday evening programs 8/1/13 - 5/10/15

Only PBS

will spend a significant amount of time covering the TPP.

The Trans Pacific Blackout: The Congress, the Media, and the American public

## Cable News Coverage Of TPP Remains One-Sided MSNBC Distances Itself From CNN, Fox News



MEDIAMATTERS

Period: Weekday evening programs 8/1/13 - 5/10/15

MSNBC's

TPP coverage ceased with the termination of the Ed Schultz show

The two charts to the right are a testament to how many times the TPP is discussed on most major networks: **zero**. Other than PBS, FOX News is the only major network that has not blacked out virtually all TPP coverage as of this time.

The President and his Administration have done all that they can to first, keep the public from knowing about the TPP, and second, misinform them about it. I can attest to the effect of the hush-hush attitude around the deal, having only learned the bare bones about it back in the middle of 2015 some seven years after negotiations quietly began in 2008 under Republican President George W. Bush.

The TPP has been kept so secret that the title of a May 4, 2015 Politico article characterized the guarding of the agreement as “**Extreme secrecy**” and went on to explain the protocols that must be undergone to see what’s inside it (minus the secret handshake and the decoder rings of course). What sort of protocols you may ask? Representative Rosa DeLauro (D-Conn.), who led the House opposition to the TPP in 2015 put it well stating “It’s like being in kindergarten... you give back the toys at the end.”

Congressional members who wanted to read the 5,600 plus page deal had to do the following:

Go to the **basement** of the Capitol Visitor Center.

Read one section at a time under supervision.

Hand over any and all notes before leaving.

Not speak to anyone about anything that was read. Seeking help from outside experts is forbidden.

### Corporate Control of TPP Negotiations

Meanwhile, the American people, state legislators, governors, the unions, the environmental groups, or the public interest groups (among others), were intentionally blacked out from decisions made by the 566 member TPP committee. In fact, even some members of the committee, such as the unions were also blacked out from the seven years of negotiations and had almost no say in what was included or not included in the TPP. Richard Trumka put the situation nicely in this excerpt from a February 4, 2014, letter to the United States Trade Representative (USTR):

More important than quantity of access, however, is quality of access. A seat on the LAC [Labor Advisory Committee] is not a seat at the negotiating table, much less an assurance that labor's policy proposals will be incorporated into either the U.S. proposal or the final agreement. Because **LAC members do not have access to the full negotiating texts**, or to information regarding USTR [United States Trade Representative] priorities and choices, **we cannot effectively influence the inevitable trade-offs in ways that would build the middle class and protect our democratic systems. And because we cannot share what little we do know with our membership or the larger public, we cannot use the traditional tools that civil society uses to offset the power of economic elites: education, organization and mobilization of the public.**

Instead, the decision making and most of the access laid with some 605 (not all TPP committee members) corporate CEOs, lobbyists, and advisors. 85% of the 566 member committee are either private industry or trade group representatives. These 480 representatives of corporate America also had a chummy relationship between them and the U.S. trade representatives (private citizens, such as Michael Froman, who are "appointed by the President" according to the AFL-CIO) as hundreds of leaked emails have demonstrated in striking detail. Some of the good folks who helped write the TPP included (among many others) the CEO and executive director of international affairs of AT&T, the chief economist of GM, the Vice President, Industry Relations of Halliburton, the Vice President, International Government Affairs of Johnson & Johnson, Anne Alonzo of Kraft, the Director, Public Affairs of Newbalance Shoes, Robert A. McDonald of Procter and Gamble, Director, global trade, of Intel, and three representatives from Wal-Mart including the Associate General Counsel. The picture is clear enough.

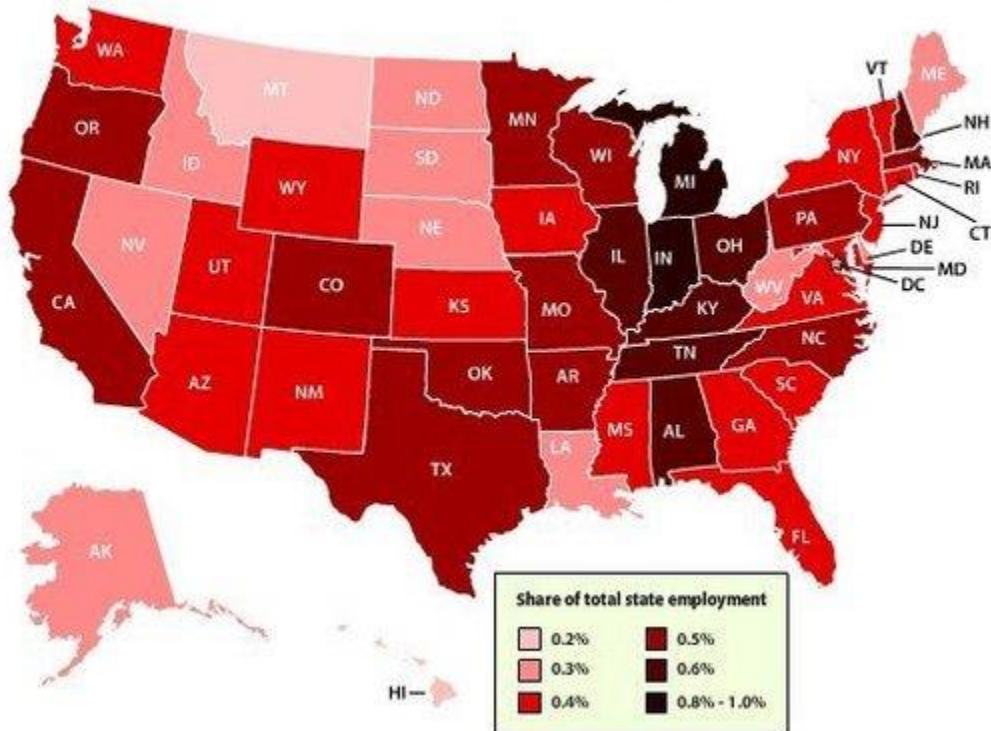
### The Disinformation Campaign and the Truth behind the Rhetoric

But to keep the public from getting an idea of just what many of these companies had in mind during their seven year TPP negotiations once the full TPP text was released President Obama has embarked on a disinformation campaign against the American people. An example of this can be found in a 'slow jam' the President did on the Jimmy Kimmel show over a month ago. There, he subtly advocated for the TPP stating: "I negotiated the new trade deal called the Trans Pacific Partnership or TPP... look Jimmy the **TPP allows American businesses to sell their products to home and abroad, the more we sell abroad, the more higher paying jobs we**

**provide here at home, it's that simple.**" In other words, the TPP will create more trade, the more trade that goes on the more jobs are created, at home and abroad, thus the TPP will create more jobs, is the President's argument. It is one that has been heard before. In the early 90's, when then President Bill Clinton signed the North American Free Trade Agreement (NAFTA), originally an initiative of President George H.W. Bush, he said **"This agreement will create jobs, thanks to trade with our neighbors.** That's reason enough to support it." Sound familiar?

Of course, the problem is that President Clinton's rosy language turned out not only to be an exaggeration of what NAFTA actually did but the opposite of what happened. According to the Economic Policy institute (EPI), "it [NAFTA] **caused the loss of some 700,000 jobs** as production

**Jobs displaced due to trade deficits with Mexico, 2010**  
(as a share of total state employment)



At a glance, the numbers of jobs lost relative to the total may seem small, but the numbers add up.

moved to Mexico." they go on to state that "there were some job gains along the border in service and retail sectors resulting from increased trucking activity, but these gains are small in relation to the losses... The vast majority of workers who lost jobs from NAFTA suffered a permanent loss of income." In a separate thirty seven page report, the watchdog group *Public Citizen* came to a similar conclusion about NAFTA 20 years after its signing and parroted the EPI's job loss numbers. Naomi Klein, author of *The Shock Doctrine*, has said the same of trade deals like NAFTA stating that, "The labour and environmental side-agreements tacked on to the North American Free Trade Agreement between the US, Canada and Mexico have a **spectacularly poor track record.**" Noam Chomsky, the author of *Hegemony or Survival* and

numerous other authoritative publications on policy, has slammed the TPP as a “Neoliberal assault” to further corporate “domination” (much as NAFTA did). Yet, the Obama Administration is pushing a deal that has been termed “NAFTA on Steroids” by trade expert and Nation writer Lori Wallach in 2012, and has been opposed by some 450 environmental groups, 1,525 civil organizations, Doctors Without Borders, the AFL-CIO, both major presidential candidates, 700,000+ signatories to an anti TPP petition to the Democratic Party platform, and finally the House and Senate Minority leaders.

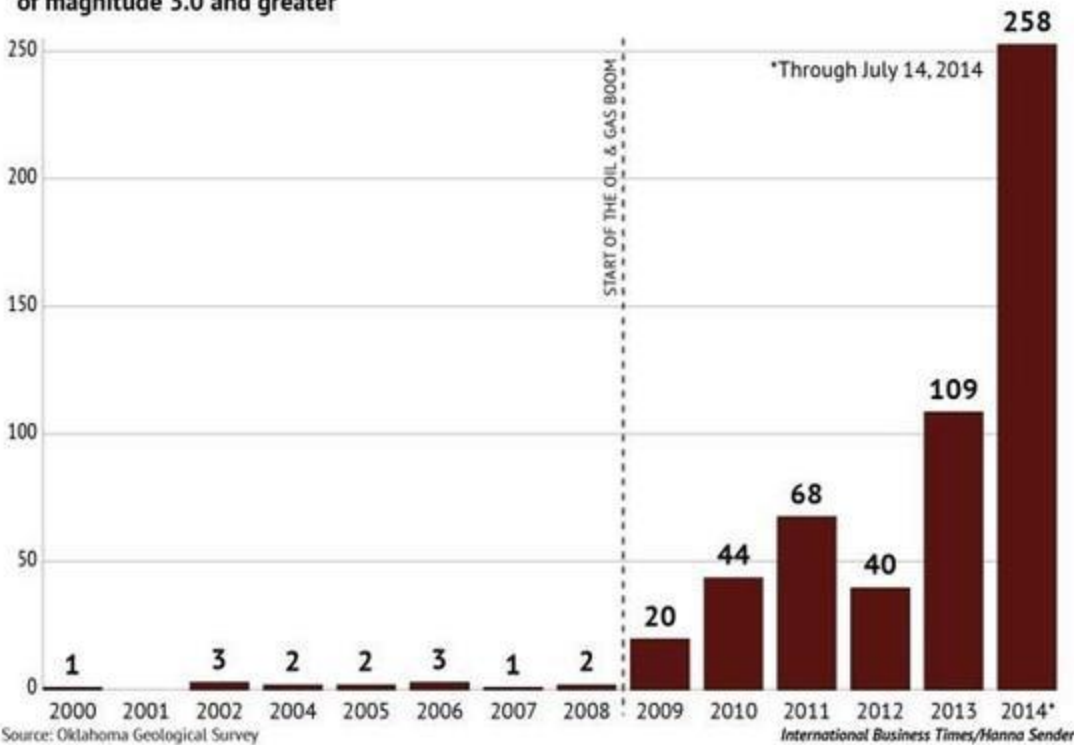
What the TPP will really do

There is a reason why these groups and organizations are opposed to the TPP. Many reasons in fact, most of which can be found in a twenty five page report by *Public Citizen*. In their report, published after the full TPP text was released last November, they put the legalise of the deal into words anyone can understand. The report approaches the TPP section by section, and in this article I have paraphrased or directly quoted certain parts of particular importance. I strongly encourage all readers to look through the report later on at their discretion.

The report begins by directly contradicting the President’s main assertion that the TPP would create jobs stating that “the TPP would make it **easier for corporations to offshore American jobs**” (pg.1). It goes on to state that this is the case as the TPP includes “investor protections that reduce the risks and costs of relocating production to low wage countries.” The conservative Cato Institute has noted that these terms are essentially a “subsidy of offshoring” by reducing the risks of relocating to other areas.

Furthermore, the report contradicts another assertion of the President’s, which is that the TPP would raise human rights standards in countries such as Malaysia (which had its human trafficking upgraded one from the lowest tier in order for it to participate in the 12 nation pact) and Vietnam. The report notes that “the TPP includes countries notorious for severe violations of human rights,” but then goes on to say that “**the term ‘human rights’ does not appear** in the 5,600 pages of the TPP...” (pg.1). That raises an important question. If a significant part of the TPP is about aiding human rights, which one would think would have some importance considering that “single mothers can be stoned to death” in Brunei (one of the TPP countries), why is there no mention of it in the entire text?

## EARTHQUAKES IN OKLAHOMA of magnitude 3.0 and greater



There have been 539 earthquakes of a 3.0 magnitude or greater in Oklahoma since the start of the oil and gas (fracking) boom in 2009. Before that time, dating back to 2000, there were only 14 earthquakes of 3.0 or greater. In other words, Oklahoma only saw 1.6 earthquakes per year in the nine year period before 2009, but since that time has seen roughly 90 earthquakes per year, as of July 2014 (this time, two years ago). This image is the courtesy of the International Business Times.

Next, the report examines the environmental provisions in the TPP. It comes, somewhat unsurprisingly, to the same conclusion of that of the hundreds of environmental groups and those who called it a “disaster for climate change“. The report criticizes virtually every aspect of the TPP’s environmental aspects, from its “weak” conservation rules, omission of climate change (the words

‘climate change’ are not mentioned in the entire deal), unenforceable standards, and support for natural gas and fracking (whereas the latter has been shown to increase the likelihood of earthquakes as further illustrated by the chart to the right).

### On Conservation Rules:

The report calls the “range of conservation issues” in the TPP “weak” and states that the actual obligations to the rules are vague and nondescriptive, thereby allowing business as usual to continue, if not at a quicker pace.

For example, the report points out that the TPP does not specifically prohibit trade in illegally cut timber and wildlife but asks that TPP countries “to combat” it. The TPP does not actually ban commercial whaling or the shark fin trade either (one third of sharks are considered endangered),



but calls to “promote the long term conservation of sharks... and marine mammals” through what the report describes as a “non binding list of suggested measures countries ‘**should**’ take.” The TPP also includes few specific, binding climate or environmental obligations and there is little hope they would be enforced since the U.S. has “never once brought a trade case against another country for failing to live up to its environmental commitments in trade agreements.”

#### On Finance:

Here, the report also heavily criticizes the TPP stating that the deal would “impose on TPP signatory countries the pre crisis model of extreme financial deregulation that... spurred the [2008] crisis.” Specifically singled out are the controversial Investor State Dispute Settlement (ISDS) tribunals, also known as corporate kangaroo courts. In a November 15, 2015 radio interview on NPR, Michael Froman was questioned about the tribunals by host Steve Inskeep. Froman was quick to play down their significance by likening tribunal suits to ones in typical U.S. courts:

FROMAN: So we’ve had ISDS in our trade and investment agreements for 30 years. **ISDS doesn’t create any new substantive rights beyond what exists in U.S. law.** And similarly there’s nothing – you cannot bring a claim under ISDS that changes a law or a regulation. The only remedy is compensation, where under U.S. law you can get either compensation or you can overturn a law or a regulation.

INSKEEP: Let’s talk about that. You’re saying that the regulations cannot change because of this arbitration panel that would be set up in a dispute. But **the United States could be forced to pay some company \$100,000, \$100 million, \$10 billion. Who knows?**

FROMAN: Yeah. But once again, of course, **that’s true in U.S. court as well, right? We’re sued every day in U.S. court...**

*Public Citizen* took a different view. In the section on ISDS (pg.6), they state that “Unlike past pacts, the TPP would empower financial firms to use extrajudicial tribunals to challenge financial stability measures that do not conform to their ‘expectations’.” In other words, the TPP grants foreign firms and companies new rights to attack U.S. financial regulatory laws in ISDS tribunals via a broad claim of “minimum standard treatment” (MST) for investors (MST has been the basis for virtually all prior successful ISDS challenges of governments). Unlike what Froman states, ISDS tribunals do in fact, give corporations new rights, as they can present their cases in front of a panel of private arbitrators (one of which serves as the judge), which is entirely different from suits in a regular U.S. court. In particular, in Article 11, section 2 of the TPP provides investors all manners of new ways to attack financial policies thanks to the elastic MST standard and broad language such as “Denial of Benefits”, and “Payment and Transfers”. Many government policies, financial and otherwise could be under attack if they happen to undermine investor expectations (hence, MST), as has already been the case with ISDS suits under NAFTA. Finally, it is worth noting that even if an investor or investor loses a tribunal case to the defending government, the government can still be held accountable for paying the investor’s legal fees which can run into the multimillions.

#### On Labor:

According to the report, the TPP's labor chapter largely ignores the needs of labor. One need look no further than the impressive list of labor demands, many of them modest, that were not included in the finalized document. These include:

Language to "define the core labor standards" to improve compliance among TPP nations and provide enforceability.

A requirement that all TPP "Parties" neither "waive or derogate from any of their labor laws" (including those implementing or requiring fair working conditions) regardless of circumstances.

Language aiming to increase compliance with "labor obligations" among TPP countries" by adding commitments to ensure "effective labor inspections."

Separate requests for provisions against the abuse of "vulnerable workers" and "a spiral to the bottom in wages and working conditions"

And finally, and perhaps worst of all, the TPP omits suggested language to **establish enforceable rules for global labor recruiter to "prevent human trafficking and forced labor"**.

What labor provisions are included, however, are every bit as weak as the ones regulating the environment. For example, the TPP includes a "commitment to have laws regarding acceptable" working conditions. Fair enough. But the report demonstrates the clear problem with this provision as it "fails to set standards for such laws." meaning that the minimum wage in Vietnam or Brunei could be as low as the employer desires, such as one penny per hour.

### A Corporate Axis of Evil

This is an insight into the trade deal that President Obama and corporate America are pulling out all stops to pass this year. This is a look into a deal so little about trade and so much about investor rights that only two of the twenty six chapters cover matters of trade (see "NAFTA on Steroids"). That is **one** out of every thirteen chapters!

Former President George W. Bush, in his 2002 State of the Union Address shortly after the 9/11 attacks, called North Korea, Iran, and Iraq "an axis of evil arming to threaten the peace of the world" stating that "these regimes pose a grave and growing danger" to freedom, and to peace. "A grave and growing danger" to freedom, and to peace. Wow.

While President Bush's words may not have been an appropriate descriptor of North Korea, Iran, or Iraq they are stunningly accurate in describing the TPP. After all, the TPP is a trade deal that would help curb freedom here at home and abroad on the internet by reviving the hated Stop Online Piracy Act (SOPA) and the Protect IP Act (PIPA) legislation in its provisions as well as potentially curbing net neutrality (according to some 250+ tech companies and digital rights groups). That alone should send chills down the spine of anyone reading this article. Indeed, the TPP's anti freedom provisions are only a confirmation of the need that a deal like the TPP, one that would comprise 36% of the global economy and a significant chunk of the global population, is a threat to the freedom and thereby a threat to "the peace of the world." To use President Bush's own words, this deal is nothing more than a corporate "**axis of evil.**"

And like the terrorists, it must be stopped.