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## Cato Institute gives TPP deal a passing grade

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The Cato Institute today endorsed the Trans-Pacific Partnership, arguing it merits congressional approval as the benefits of the 12-nation pact outweigh its shortcomings.

"TPP is not free trade," Dan Ikenson, director of the libertarian think tank's Center for Trade Policy Studies, said at an event to discuss its new report. "It is a managed trade agreement, like all of our free trade agreements ... [But] holding out for the ideal would, in essence, make the perfect the enemy of the good."

The think tank evaluated 22 of the TPP's 30 chapters, ranking them on a scale of 1 to 10. The simple average score for all 22 chapters was 5.82, slightly above neutral. However, in Cato's view, the chapters dealing with market openings are more important than those dealing with rules and governance. Taking that into account, it gave the pact a weighted average score of 6.03.

Five chapters received a score of eight, the highest Cato assigned: national treatment and market access; customs administration and trade facilitation; cross border trade in services; dispute settlement; and "final provisions" covering the accession of new members. Three chapters received a score of three, the lowest Cato gave out: textiles and apparel; trade remedies; and labor.

Former U.S. Trade Representative Clayton Yeutter said during the discussion he agreed the pact fell short in some areas, but argued it was strongly in the U.S. national interest for Congress to approve the pact. But Derek Scissors, a resident scholar at the American Enterprise Institute, said the economic gains were too modest to justify the massive effort needed to win approval.