



The Trans-Pacific Partnership Agreement: Obama's Dangerous International Deal

By [Zenon Evans](#)

Nov. 16, 2013 12:00 pm

While the Obama Administration appears to be growing ever-more-limp domestically, the president is still making a vigorous international push that has the potential to shift economic power dynamics, rewrite intellectual property laws, establish new labor and environmental regulations, and reduce the authority of Congress. And, the White House hopes to have all this sorted out by [the end of this year](#).

[Trans-Pacific Partnership Agreement](#) (TPP), considered the “cornerstone of the Obama Administration’s economic policy in the Asia Pacific,” has been quietly negotiated since since the president's first term began. The U.S. Trade Representative Office (USTR) presents the agreement as a means for the United States and 11 other Pacific-rim countries to be the leaders of a technology-fueled future by trading with each other free of government tariffs. For all this, it has received a [ringing endorsement](#) from the *New York Times*.

However, as documents from negotiations have been leaked, a growing number of politicians and policy groups across political ideologies have found disconcerting features of the TPP that point not at all toward free trade, but bigger government, stricter laws, and less accountability.

Too Much Secrecy

Perhaps the most widely discussed aspects of the ongoing TPP negotiations is the apparent secrecy. Senators [Ron Wyden](#) (D-Ore.) and Elizabeth Warren (D-Mass.) have spoken out against the lack of transparency for such a massive agreement. Warren even wrote a [letter](#) to Obama, goading him that the Bush administration conducted more democratic, transparent trade negotiations.

Simon Lester, a trade policy analyst with the Cato Institute, believes that transparency issue is overstated and suggests that a more meaningful debate should take place over the substance of the TPP. He [writes](#):

First, a bit of secrecy is necessary to negotiate these agreements; with good reason, governments do not want to give away all of their objectives. Second, looking at other trade agreements that

have been signed in recent years, most trade observers have a pretty good sense of what will be in the TPP.

Nevertheless, Maira Sutton a global policy analyst with the Electronic Frontier Foundation (EFF) senses something distinctly undemocratic about an agreement that has neither public participation nor congressional oversight, yet is apparently accessible to special interest groups. As she explained to *Reason*, “what is decided as being good for the economy and job creation is strictly dictated by corporations that have ready access to the text and have spent immeasurable amounts of money lobbying for provisions that enact regulations that benefit their private interests. We only know what's in this agreement based on official statements and leaked documents.” She asks, “That really isn't any way to make international regulatory norms, is it?”

A Free Trade Agreement That is Neither About Trade Nor Freedom

A genuine free trade agreement between the U.S. and the emerging markets throughout the Pacific would create economic windfall all around. As *Reason* writers has [suggested](#) numerous times, removing government interference benefits all trading partners. The USTR makes [excited](#), non-specific claims about how American businesses and workers are the primary focus and benefactors of the TPP.

[Leaked papers](#) paint a different picture. The USTR acknowledges the existence of 29 chapters under negotiation. Only five of these chapters deal directly with trade. The other 24 aim to influence many issues, such as food and environmental standards, intellectual property, and pharmaceutical formularies.

Various special interests groups openly [voiced their support](#) for the TPP in a letter to the president. The CEOs of the Recording Industry Association of America (RIAA), Pharmaceutical Research and Manufacturers of America (PhRMA), International Trademark Association (INTA), and many others found common ground in anticipation of more rigorous “protection and enforcement of intellectual property.” This, of course, benefits a few businesses, but directly contradicts the notion of liberalization and limited government influence in trade.

Lori Wallach, a trade policy expert with Public Citizen, believes the focus on non-trade issues should raise eyebrows about how seriously the TPP is interested in promoting free trade whatsoever. She [points out](#) that, after all, the U.S. already has free trade agreements with six of the countries in the negotiations, and excepting Japan, “the 4 TPP countries without existing U.S. trade pacts have [a] combined economy the size of Pennsylvania.”

The EFF [suggests](#) that the U.S. government in particular is pushing for harsher intellectual property laws world-wide and that the agreement's “language reveals a profound disconnect with the reality of the modern computer.” The policy group has detailed many potential harmful effects of TPP, such as restricting fair use and extending corporate copyrights for 120 years after a work's creation. The agreement would also make internet service providers more liable for copyright-infringing material posted to their sites, which could effectively turn Comcast, Verizon, and others into private Web-police.

Economist and founder of the Center for Economic and Policy Research, Dean Baker, [writes](#) that the TPP is not about free trade, but “can more accurately be described as a pact designed to increase the wealth and power of crony[ists].”

TPP Overshadows Congress, and Even U.S. Autonomy

Despite the [growing clout](#) of limited-government advocates in Congress, there is little they—or others like Warren and Wyden—could do to stop the TPP. Congress essentially gave up its constitutional authority to regulate commerce with foreign nations in 1974 with the introduction of “fast-track” authority. This privileges the president to flip the bill-making process on its head: The president introduces an international agreement that Congress votes on, but can neither filibuster nor amend. Although fast-track expired in 2007, the Obama Administration has been pushing for a renewal, [specifically](#) for the TPP.

Even more alarming, the agreement would shift power from the federal government to international authority.

The TPP allows for an “investor-state” system, which in principle is good for liberalizing economies. “The idea of allowing foreign investment in and allowing domestic investors abroad is a great one. We should let investments go wherever investors want them to,” says Lester. However, he cautions that “the problem is, a lot of [TPP] rules are very vague. They’ll say, for example, the government has to provide foreign investors with fair and equitable treatment. Nobody knows what that means.”

These loosely worded rules would make the U.S. vulnerable to foreign companies “raiding the U.S. Treasury” through extrajudicial tribunals, says Wallach. For example, a Vietnamese corporation would have the ability to take the U.S. government to the international quasi-court with the allegation that America’s domestic labor laws cut into their expected future profits.

If the U.S. government were actually interested in promoting free trade, it could entirely sidestep relinquishing legislative power to a hodgepodge web of nations. It could simply agree to lower tariffs in exchange for the same treatment. But instead, we are facing a deal that would undermine the democratic process entirely, disenfranchising the voting public to whom our government is accountable.