

POLITICO

TPP a sure bet to show up in Democratic presidential debate

Victoria Guida

October 13, 2015

The Trans-Pacific Partnership will likely be a hot topic tonight when former Secretary of State Hillary Clinton, Vermont Sen. Bernie Sanders, former Maryland Gov. Martin O'Malley, former Virginia Sen. Jim Webb and former Rhode Island Gov. Lincoln Chafee face off in Las Vegas for the first Democratic presidential debate. The question is how each candidate will handle it.

Sanders has reportedly done no debate prep, expecting to focus instead on hammering home his arguments on policy — one of the biggest of which has been that TPP is a bad deal. O'Malley, too, has been hyping up his trade policy credentials, putting out a policy paper laying out his vision of a proper trade agreement — one that is much more attractive to unions and progressive groups that hate TPP.

Clinton, of course, finally, sort of took a position on the deal last week, saying: “As of today, I am not in favor of what I have learned about it. I don't believe it's going to meet the high bar I have set.” Her beefs? Lack of enforceable language against currency manipulation and too much monopoly protection for biological pharmaceuticals. Watch out for potential arguments from Sanders and O'Malley that she should've opposed TPP a while ago if those were her concerns.

IT'S TUESDAY, OCT. 13! Welcome to Morning Trade, where we're looking forward to the possibility of TPP getting its profile raised in this debate, even if it might not have as many viewers due to the lack of a certain billionaire real estate mogul. But fewer candidates should hopefully mean more policy discussion, which Trumps politics for this trade nerd any day. Got any trade tips? You know the drill: Send them along to vguida@politico.com or [@vtg2](https://twitter.com/vtg2).

EU OFFICIAL: WE'RE NOT SO DIFFERENT, YOU AND I: The European Commission's head trade official in Washington previewed some of the arguments European Union negotiators may use as they try to sell a proposed new approach on investor-state disputes to their skeptical U.S. counterparts in Transatlantic Trade and Investment Partnership talks.

“You have to step back and look at the essentials of what we've been able to preserve,” Damien Levie, the head of agriculture and trade at the EU's Washington delegation, said Monday at a Cato Institute event.

He said the proposal, which has yet to be formally tabled, has preserved two fundamental investment principles: Foreign investors should have rules to protect them; and Countries should be required to participate in some form of dispute settlement when an investor feels wronged by a government policy or regulation.

U.S. businesses have already taken a dim view of the proposal, which would set up a permanent tribunal of government-selected judges to hear cases instead of the ad hoc panels that currently operate. The EU proposal would also establish a separate, permanent panel of judges to handle appeals of cases.

EU LAWMAKER: KEEP AN OPEN MIND ON TISA: In other EU news, the European Parliament's leading lawmaker on the Trade in Services Agreement is urging colleagues in a draft report to be cautiously supportive of the pact. TISA, a sweeping trade deal focused on opening market access for services in 25 economies, including the U.S., "cannot be labeled as cure or curse before it is finalized," says Viviane Reding, a Luxembourg lawmaker, in the draft report released Monday.

"The European Parliament must work constructively and pragmatically to positivize, demystify and prioritize TiSA negotiations so as to ensure that a good agreement is reached, in the interest of European companies and consumers alike," she says in a statement.

The EU has been involved in the services talks since they were launched in 2013. It has faced increasing criticism over fears the agreement could undermine health care and other public services, despite the European Commission's repeated attempts to dispel those fears. Two countries, Uruguay and Paraguay, have also withdrawn from the talks arguing that the agreement could undermine national interests.

Reding says the agreement could be valuable for the EU's massive services sector, but warns that "our public and cultural services must be unequivocally excluded, our right to regulate fully preserved and our fundamental rights duly safeguarded." The report will be open to amendment by lawmakers through the end of October.

NO MORE MR. RICE GUY: TPP might give Vietnamese rice producers increased access to the Mexican market at the cost of U.S. exports, which is worrying U.S. rice producers.

Mexico is the largest foreign market for U.S. rice, which has the edge on transportation costs because of the shared border. But Vietnam can often sell its rice at much cheaper prices and, if Mexico has agreed under the TPP to lift its 20 percent tariff on Vietnamese milled rice, that could be bad news for U.S. producers.

"Throughout the duration of the regional trade negotiations, [the U.S. Rice Producers Association] has expressed deep concern over the agreement's impact on U.S. rice exports to Mexico, our strongest customer, if the trade pact allows Vietnamese rice unfettered access to the Mexican market," the group says in its latest newsletter.

CHINESE MEAT FEELING THE HEAT: Chinese meat companies are starting to feel the effects of new safety regulations passed down from Beijing. This week firms will have to begin complying with new labeling and traceability laws, reports Global Meat News. The new

regulations will make it illegal for food companies to use false or misleading advertising, which also includes nutritional claims.

The new laws will also impact how some of the largest meat firms in the country — including Grand Farm and Shuanghui — brand themselves. No longer will they be allowed to make claims for being ‘China’s largest meat company’ or the ‘biggest’ and ‘best.’

Large-scale farm closures have been one impact of the new regulations, as companies have struggled to handle the cost of changing their operations to meet new requirements. Check out the full story in Global Meat News here: <http://bit.ly/1LFmcUI>.

WTO COUNTRIES DEBATING WHAT’S AFTER NAIROBI: During the next two weeks, the WTO ambassadors from Colombia, Norway and Kenya will be quarterbacking consultations on the document that will contain the outcomes of the Nairobi ministers’ meeting. Perhaps most importantly, this document will include priorities for WTO negotiations after the ministerial, which will be front and center in the fight over whether and/or how the Doha round might live on.

“I think we all agree about the need to start this work, and that we should aim towards agreeing on a Ministerial Declaration, but I think it is premature to start any kind of drafting exercise,” Director-General Roberto Azevedo said in a statement. “The first step therefore must be to hear everybody’s views. We need to have a process of consultations. It is important that all members have an opportunity to air their views.” Azevedo will be away from Geneva for the next couple of weeks.