THE TRANS-PACIFIC PARTNERSHIP:
AN ATTACK ON AMERICAN JOBS, WAGES, AND DEMOCRACY

The Trans-Pacific Partnership (TPP) deal that was negotiated in secret with the guidance of special corporate interests and then signed by the United States and 11 other countries earlier this year is a bad deal for American workers and the future of American democracy. Congress should stop this unfair trade deal and the continued race to the bottom in wages and standards that it would accelerate.

- **The TPP will allow countries with terrible labor records like Vietnam, Mexico, Malaysia and Brunei to benefit from the TPP before they show real improvement in labor and human rights standards.** The TPP's labor rights standards unfortunately replicate the same system that has failed to generate real guarantees of protections for workers in countries like Colombia. Even worse, some of the TPP's most notorious human rights violators will gain the TPP's benefits while being out of compliance with the TPP's labor standards on Day One. For example, Vietnam is not required to allow fully independent nationwide unions until five years after the TPP has been in effect.

- **The TPP fails to secure access to foreign markets since it does nothing to address the biggest barrier that American companies face—currency manipulation.** Recent studies show that currency manipulation, in which governments illegally push down the value of their currency to make their goods cheaper and to make it harder for American companies to compete, has cost U.S. workers between one million and five million jobs. Currency manipulation has long been illegal under international law, but there has been very little enforcement, which means that countries—including TPP member nations Japan, Malaysia, and Vietnam—have long been able to get away with manipulating their currencies. No provision in the TPP addresses currency manipulation, meaning that we will likely gain little access to these countries' markets, even as the U.S. cuts our tariffs for goods imported from other TPP countries.

- **The TPP will result in the dumping of more illegally subsidized Chinese goods on the U.S. market due to its weak rules of origin.** Many of the goods that the U.S. imports from other TPP countries are manufactured partially outside of TPP countries. For example, Japanese auto companies heavily source steel and other goods from China and Thailand. The TPP contains very weak rules of origin that will allow cars and trucks to be imported to the U.S. tariff-free even if the majority of their value was manufactured in China. This undermines the TPP rules and ensures that even more goods illegally subsidized by the Chinese government will be imported to the U.S. under the TPP.

- **The TPP expands the dangerous Investor-State Dispute Settlement (ISDS) system to allow even more attacks from big financial companies.** The ISDS system that allows foreign investors to sue in special courts that are not bound by American judicial precedent has increasingly been used to challenge basic public interest protections regarding health, safety and the environment. Instead of eliminating or fixing this system, the TPP actually gives financial companies a broader right to sue under ISDS than has ever been included in a U.S. free trade agreement.

CWA