

Article notes

**Citizen Trade Policy Commission
November 2017**

Articles mostly from late fall 2017

Why is Trump Risking a Trade War With Canada?; (The Atlantic; 4/26/17; news article)- This article reviews the current trade disputes between the U.S. and Canada over softwood lumber and dairy products. The article notes that these disputes are not new and have their roots in the different manifestations that these two trade commodities have taken in each country. In the US, softwood lumber is harvested by private companies on private lands which contrasts with the Canadian practice by which softwood lumber is harvested from public lands and the lumber companies pay a harvesting fee. Many US lumber companies maintain that the Canadian practice amounts to an unfair governmental subsidy which enables Canadian softwood to be sold at a significantly cheaper price. The issue around dairy products is based on the fact that the Canadian dairy industry is “largely quarantined”; Canada does not allow the import or export of dairy products; however, in recent years, American dairy producers have found loopholes in the Canadian regulations which allow them to export certain dairy products to Canada. Both of these issues were not addressed in the original NAFTA agreement. The article reports that President Trump has reopened these trade issues in a very public way with a great deal of criticism of Canada as a trading partner.

Nafta Talks’ Extension May Make for Slow, Painful Demise; (New York Times; 10/17/17; news article)- This article reports on the fact that the NAFTA renegotiations have been significantly extended which, somewhat paradoxically, reduces the chances that NAFTA can be successfully renegotiated. The extension of NAFTA negotiations begins to conflict with upcoming political events in all 3 countries; in the US, the President’s Trade Promotion Authority to negotiate trade deals with a up or down vote in Congress expires in July; the Mexican presidential election occurs on July 1st and Canadian provincial elections will take place in the fall of 2018.

Hopes of EU-US trade agreement put on ice, say Brussels sources; (The Guardian; 9/20/17; news article)- This article reports on the belief among EU officials that the chances of finalizing the TTIP are becoming quite remote. The article cites the Trump administration’s preference for bilateral trade agreements between 2 countries and the complications arising from Great Britain’s withdrawal from the EU.

Countries agree on Pacific trade pact that excludes U.S.; (Politico; 11/11/17; news article)- This article reports that a version of the TPP, now called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), has been agreed to by the eleven remaining nations of the original TPP agreement. The CPTPP excludes a number of significant trade provisions that had been agreed to before the US withdrew from the TPP.

A lesson in the basic physics of NAFTA negotiations; (The Hill; 11/12/17; opinion piece)- This opinion piece maintains that President Trump’s efforts to undue the NAFTA agreement

may paradoxically result in support for the agreement from people that were formerly opposed to it. The authors also believe that President Trump has no real understanding of how trade negotiations work- in order to get a favorable trade concession, one has to make a less favorable trade concession.

American lawyers gather to ponder Trump's NAFTA options: Can he cancel it alone?; (CBC; 11/13/17; news article) – This article reviews the conclusions of a number of US legal scholars who met recently to discuss whether President Trump has the legal authority to cancel the US participation in NAFTA. One prominent point of view maintains that the President can act individually to withdraw the US from NAFTA, citing Article Two of the US Constitution which gives the President power over international affairs. The opposing point of view holds that the President cannot by himself withdraw the US from NAFTA- Congress enacted laws that are inextricably linked to the original approval of NAFTA in 1994 and these laws cannot be ignored.

Nafta Negotiators Set to Look for Small Wins After U.S. Threats; (Bloomberg; 11/13/17; news article)- This article describes the changing strategies of NAFTA negotiators in light of controversial demands made by the U.S.. Instead of focusing on resolving the several contentious trade demands made by the U.S., NAFTA negotiators now plan to resolve smaller, less controversial issues hoping that success on these issues might pave the way for agreement on larger more controversial issues.

The next big worry for markets- NAFTA fails and trade wars erupt; (CNBC; 11/13/17; news article)- This article reports that many prominent Wall Street professionals are concerned that NAFTA will come to an end and that the absence of a multilateral trade agreement between the U.S., Canada and Mexico will result in numerous trade wars that will be harmful to the economies of all 3 countries.

Article notes

Citizen Trade Policy Commission

Articles from January and February 2017

- ***Some Trade Deals on Hold after Trump’s Election, but Danger Lurks in the Lesser-Known Trade in Services Agreement (TiSA); (Huffington Post, January 2017)*** – This article discusses recent developments in the consideration of FTAs that have been either recently negotiated or are in the process of being negotiated. This includes the TPP (recently opted out of by the US), the TTIP (currently under negotiation), CETA (Canada –EU; currently in negotiation) and the Trade in Services Agreement (TiSA, currently under negotiation). The article focuses on TiSA which is characterized as having received scant attention. The author further characterizes TiSA as follows, *“TiSA is fundamentally an offshoring and outsourcing charter...TiSA is intended to lock in a system of rules to allow multinational companies to operate in a borderless digitized environment with minimal regulation and maximum rights regarding the treatment of labor, capital, inputs and the new key element of data.”*

Based on leaked TiSA text, the author list 10 ways in which this agreement would affect labor and the job market:

1. Companies are expanding the definition of “services” so that virtually all aspects of trade and commerce could be covered in this agreement;
2. TiSA rules would allow large companies to bypass sovereign labor, tax and other requirements;
3. TiSA rules would foster “inshoring” which allows the importation of foreign workers as “independent service contractors” which would not be subject to a country’s labor laws;
4. TiSA makes little explicit mention of labor rights and does not include a labor chapter;
5. TiSA works to prevent governments at all levels from supporting local business and employment, particularly through the evisceration of “buy local” requirements;
6. TiSA makes significant use of the principle of “technological neutrality” which holds that rules developed to apply to new services are not to be changed as the means of technological delivery evolves ;
7. Job loss through privatization would increase as TiSA reduces the benefits of public ownership;
8. Proposed TiSA rules would severely restrain any government laws or rules which are designed to ward off a global financial crisis;
9. The phenomenon of corporate tax evasion would increase as multinational corporations could more easily base themselves in tax havens, thereby increasing tax burdens on workers;
10. Although TiSA does not include an explicit ISDS mechanism for conflict resolution, TiSA has language under which *“an investor could also refer to the breach of TiSA rules as a part of its case that its ‘legitimate expectations’ of fair and equitable*

treatment had been violated- an extremely open ended and unpredictable concept that investors rely on most to challenge government regulations and decisions, even when they are made in the public interest”

- **President Trump’s Executive Orders Formally Bury TPP’s Corpse, but What About TTIP, TISA, China BIT?;** (*commondreams.org, 1/23/17*) – This opinion piece, authored by Lori Wallach, Director of Public Citizen’s Global Trade Watch, holds that to be consistent with his opposition to the TPP, President Trump should also be reconsidering US involvement in other FTAs currently under negotiation such as TISA and TTIP. Ms. Wallach also advocates for the complete restructuring (or withdrawal) of NAFTA so that it addresses the real needs of working people.
- **What is TPP? Behind the Trade Deal That Died;** (*New York Times, 1/23/17*) – This article provides a brief review of the TPP, what it was intended to accomplish and why it was so controversial and ultimately scuttled by President Trump. The article makes prominent mention of the TPP’s effort to level the regulatory playing field as it applies to all aspects of international trade.
- **Advancing TiSA Negotiations;** (*Djaha International Trade, 1/26/17*) – This article discusses the current status of TiSA negotiations that involve 23 WTO members and the overall effort to “*improve the rules that govern trade in services, building on the 1994 General Agreement on Trade in Services.*” According to the article, the US goals in TiSA negotiations is to “*address restrictions on cross-border data flows and server localization requirements, forced transfers of technology, restrictions on the ability to make payments electronically and unfair advantages that governments provide to state-owned enterprises...*”, while at the same time ensuring that TiSA “*does not impede its [US] ability to adopt regulations to pursue public interest objectives such as the protection of health safety and the environment.*” From the EU perspective, the goal of TiSA negotiations is to promote , “*an ambitious opening of public procurement, telecommunications, transport, financial and professional services market.*”
- **How Trump’s wall could beckon a global trade war;** (*Politico, 1/27/17*)- This opinion piece discusses the likelihood that President Trump’s plans for the construction of a wall that runs the length of the US-Mexican border, and his plans that Mexico will pay for the costs of constructing this wall, will result in a full-fledged retaliatory trade war which would involve many countries besides Mexico.
- **The Trump Import Trade Agenda Takes Shape;** (*industryweek.com, 1/27/17*)- This article discusses the implications of President Trump’s apparent trade agenda with an emphasis on what he can do under current law (such as broad authority to interpret violations of existing trade laws by other nations) vs. what actions would require additional authority (such as imposition of a so-called “Border Adjustment Tax”).
- **Trump’s administration has a new target on trade- and it’s not China or Mexico;** (*Washington Post, 1/31/17*) – This news article discusses the Trump administration’s allegations that Germany has used a “grossly undervalued” euro to exploit the US and other EU nations in international trade and that this practice is a major impediment to final adoption of the TTIP.
- **Revoking trade deals will not help American middle classes;** (*newsonhand.com, 2/5/17*)- This opinion piece is authored by former Treasury Secretary Lawrence Summers. Mr. Summers opines that the recent loss of US manufacturing jobs will not be offset or even

significantly reduced through the repeal or restructuring of existing trade deals like NAFTA or the recent US withdrawal from the TPP. Instead, Mr. Summers believes that the decline of most US manufacturing jobs can be more accurately attributed to the advent of technical progress in which automation at manufacturing facilities has replaced many manufacturing jobs.

- ***U.S., Japan to start special trade dialogue; (Politico, 2/10/17)*** – This article reports on the recent efforts by President Trump and Japanese Prime Minister Shinzo Abe to develop a new trading relationship which may be based on a future bilateral trade agreement between the two nations. The new relationship is designed to replace the previous effort to adopt the TPP which involved the US, Japan and other Pacific Rim nations.
- ***Trump: Canada not as big of a trade problem as Mexico; (Politico, 2/13/17)*** – This article reports on recent comments made by President Trump with regards to NAFTA. Without revealing any details, President Trump commented that NAFTA needs only minor changes as the agreement pertains to Canada. In particular, President Trump stated that “*We’ll be tweaking it, we’ll be doing things that are going to benefit both of our countries. It’s a much less severe situation than what’s taken place on the southern border. On the southern border, for many, many years, the transaction was not fair to the United States. It was an extremely unfair transaction.*”
- ***E.U. Parliament Votes to ratify Canada Trade Deal and Send Trump a Message; (New York Times, 2/15/17)*** – The article reports that after 7 years of difficult negotiations that the EU and Canada have agreed to the Comprehensive Economic and Trade Agreement (CETA). CETA includes provisions to eliminate many tariffs on industrial goods and agricultural products as well as opening up service sector areas of trade such as cargo shipping, telecommunications and financial services. Ratification of the agreement was achieved despite opposition to globalization from groups on the extreme left and right and was seen as rebuke to President Trump and his recent opposition to trade agreements like the TPP.
- ***TPP withdrawal: sound move from Trump; (Napa Valley Register, 2/20/17)***- This opinion piece, written by Thomas D. Elias, reacts favorably to President Trump’s decision to withdraw the US from the TPP. Mr. Elias believes that the TPP included many of the same major flaws as NAFTA including the ISDS provisions. Further, Mr. Elias holds that it is likely that a new FTA will soon be negotiated between the US and the other TPP nations.
- ***Government still cautious about Trump’s trade policies; (The Japan News, 2/20/17)*** – This news article discusses the current unease held by the Japanese government regarding President Trump’s emerging trade policies. Japanese Prime Minister Shinzo Abe continues to favor a strong US-Japanese economic and strategic alliance and is hopeful that a bilateral FTA can be negotiated between the two countries.
- ***TPP countries: Time to move on without the U.S.; (Politico, 2/21/17)*** – This article discusses the apparent sentiment of most TPP countries that a comprehensive FTA involving the Pacific Rim countries without the US is preferable to the bilateral FTAs proposed by the Trump administration. In addition, the article identifies the very real possibility that China will step into the economic leadership role that the US has vacated upon withdrawing from the TPP.
- ***Abe, U.S. lawmakers agree to work on economic ties, trade after summit; (Japan Times Company, 2/21/17)*** – This news article discusses the results of a recent trip to Japan by members of the Congressional Study Group. Members of the group stated the mutual interest of the two countries in negotiating a bilateral FTA to replace the TPP.

- **NY’s “Groundbreaking” Buy American Legislation; (Djaghe International Trade, 2/21/17)** – This news article reports on a recent legislative proposal made by New York Governor Andrew Cuomo which would require all state agencies to give preference to domestic products costing more than \$100,000. In particular, this proposal has two principal requirements:
 1. Products must be manufactured or finally assembled in the US; and
 2. More than 60% of the product components (by cost) must be of US origin.
 This proposed legislation is strongly opposed by more than 30 prominent business organizations on the grounds that the requirement for domestic content would be a significant financial hurdle for many companies that rely on cross-border supply chains for manufacturing content.
- **House Ag Chairman: TPP outcomes should be “yardstick” for bilateral deals; (Inside Trade, 2/23/17)**- This news report focuses on recent comments made by House Agriculture Committee Chair Mike Conaway (R-TX) regarding the negotiations for future bilateral trade agreements. With two exceptions, Chair Conaway believes that the TPP provisions can be used as a “yardstick” for any future bilateral trade deals that are negotiated in the near future. Conaway favors excluding the following provisions from future bilateral trade deals:
 - Requirements that exclude tobacco related regulations from the purview of the ISDS process; and
 - Tariff reductions with regards to rice which would cause the US to lose its share of Mexico’s rice imports to Vietnam.
- **Sen. Collins thinks she can work with Trump on trade, wants to hear more once USTR confirmed; (Inside Trade, 2/23/17)** – This news article reports that Senator Susan Collins (R-ME) believes that she can work with President Trump on different trade issues and is anticipating that his trade policies will become clearer once the President’s nominee for USTR, Robert Lighthizer, is confirmed.
- **Bannon: Administration and Congress working on ‘innovative’ bilaterals; (Inside Trade, 2/23/17)** – This news article reports on the recent comments of Steve Bannon, senior White House staff member, who stated that:
 - The US withdrawal from the TPP was a monumental historic event; and
 - *“The mainstream media don’t get this but we’re already working in consultation with the Hill, people are starting to think through a whole raft of amazing and innovative bilateral trading relationships with people that will reposition America in the world as a fair trading nation and start to bring jobs, high value-added manufacturing jobs back to the United States of America”*
- **Canada’s Trudeau, Trump discuss border cooperation, softwood lumber; (Bangor Daily News, 2/23/17)** – This news article reports on the first meeting between Canadian Prime Minister Justin Trudeau and President Trump in which they discussed increased border cooperation and the ongoing trade dispute over Canadian exports of softwood lumber.
- **USTR Nomination Highlights Contradictions in Trump’s Trade Policy; (Common Dreams, 2/25/17)** – This opinion piece, authored by Karen Hansen-Kuhn and Juliette Majot, holds that President Trump’s recent nomination of Robert Lightizer to be USTR is ambiguous when one considers the other prominent senior members of Trump’s administration who are said to be in charge of trade policy. The article also questions the direction and intent of Trump’s emerging trade policy and its adherence to issues of public transparency in the FTA negotiating and approval process.

- **Merkel ally calls for Europe to retaliate if Trump imposes trade tariffs; (Telegraph Company, UK, 2/25/17)** – This news article reports that a senior ally of Germany’s Chancellor Angela Merkel stated the following: *“If Donald Trump imposes punitive tariffs on German and European products, then Europe should also impose punitive tariffs on U.S. products. We cannot accept everything. ...We just have to say calmly and with self-confidence: if Trump carries out what he said, then Europe must react.”*
- **Art of the Trade Deal: China-Championed Pact Faces Tricky Talks; (Bloomberg, 2/26/17)** – This news report focuses on the efforts to negotiate a new FTA, the Regional Comprehensive Economic Partnership (RCEP), among 16 Pacific nations including China but excluding the US. The RCEP is intended to promote regional trade in the Pacific in place of the TPP which the US withdrew from. The RCEP is likely to be less complicated to negotiate than the TPP and is thought to be more of a traditional trade deal. However, current negotiations have stumbled over issues including tariff cuts and the service sector.
- **Analysts: China’s policies don’t match rhetoric on embracing globalization; (Inside Trade, 2/27/17)** - This analytical piece examines China’s recent support for globalization and free trade and compares it with China’s recent record of promoting its own economy at the expense of other trading partners. To a large extent, China has attempted to step into the economic leadership vacuum that occurred when President Trump withdrew the US from the TPP. The article suggests that China’s rhetoric on free trade does not at all match up with its actual trade policy and actions.
- **Mexico says it will walk away from NAFTA talks if tariffs are proposed; (Inside Trade, 2/27/17)** – This news article reports that Mexico’s Economy Minister Ildefonso Guajardo rejects any possibility of NAFTA being renegotiated to include US tariffs on imports from Mexico by saying, *“The moment that they say, ‘We’re going to put a 20 percent tariff on cars,’ I get up from the table. Bye-bye.”*
- **Report: Navarro ordered USTR to draft list of ways to circumvent WTO dispute system; (Inside Trade, 2/27/17)**- This news article reports that National Trade Council Director Peter Navarro has directed USTR staff to study ways in which the current WTO dispute settlement system could be circumvented.
- **Ross’ Side Project: Make America First on Seafood; (Politico, 2/27/17)**- This news article reports that Commerce Secretary Wilbur Ross wants to reduce US reliance on seafood imports by saying, *“Given the enormity of our coastlines, given the enormity of our freshwater, I would like to try to figure out how we can become much more self-sufficient in fishing and perhaps even a net exporter.”*
- **Automakers want NAFTA’s auto rule of origin left intact, currency rules added; (Inside Trade, 2/28/17)** – This news article reports that the American Automotive Policy Council (AAPC), representing the top 3 US automakers Fiat Chrysler, Ford and General Motors, favor a renegotiation of NAFTA that retains current automotive rules of origin which require that 62.5% of autos and light vehicles be sourced from either the US, Canada or Mexico. The AAPC also favors adding currency manipulation rules to a renegotiated NAFTA even though none of these countries practice currency manipulation.

Article notes

Citizen Trade Policy Commission

Articles from November 2016 and January 2017

- **Big Pharma’s big question: Is Trump friend or foe?; (statnews.com, 11/9/16)** – This article reviews President Trump’s views on prescription drug prices which has frequently been a significant topic of contention in recent FTAs. In particular, President Trump has recently advocated for Medicare to be able to negotiate with large pharmaceutical companies for the prices that program pays for prescription drugs. President Trump is also on the records for supporting:
 - Price transparency for the entire US health care system; and
 - Allowing drugs to be imported into the US from other countries.
- **Trump taps China critic for trade representative post; (Boston Globe, 1/3/17)** – This article discusses President Trump’s appointment of a former deputy USTR, Robert Lighthizer, to serve as USTR. Mr. Lighthizer is currently a prominent lawyer in Washington DC and is recently known for his public criticism of China as a country that frequently violates trade rules.
- **Canada must brace for ‘hardline’ approach from Trump’s new trade representative, experts warn; (cbc.ca, 1/3/17)** – This article, from the Canadian Broadcast Corporation, presents predictions from various Canadian trade experts that President Trump’s choice to be the next USTR, Robert Lighthizer, will have a tough and comparatively hardline approach to trade negotiations with Canada. In particular, Mr. Lighthizer is not likely to make concessions on such US-Canadian trade topics such as dairy and softwood lumber and is likely to advocate for stricter enforcement of existing trade laws. In addition, Mr. Lighthizer is not expected to yield significant concessions in any future trade negotiations.
- **Secret negotiations at the World Trade Organization create a big problem; (Washington Post, 1/6/17)** – This article reports on the results of a study conducted to determine the effects of resolving trade disputes among WTO members through private bargaining:
 - Private negotiations are a mixed blessing;
 - While reducing transparency, private negotiations do have the effect of producing earlier settlements, thereby reducing the cost of lengthy negotiations;
 - However, private settlements increase the likelihood of agreements which exclude other WTO members; and
 - The participation of third parties sometimes promote quicker and less expensive settlements but also often result in “uneven trade gains”.
- **U.S. International Trade Commission says Canadian softwood lumber caused harm; (cbc.ca, 1/6/17)** – This Canadian news article reports that the U.S. ITC has issued a preliminary determination that the sale of Canadian softwood in the US has been “allegedly subsidized and sold in the United States at less than fair value”. If this preliminary finding is confirmed through further investigation, then imports of Canadian

softwood lumber will require cash deposits in the form of “duties” and other forms of trade reimbursement. The article also reports that if this ruling stands, the additional duties will result in the loss of Canadian jobs and plant closures.

- **Top U.S. trade official sounds alarm over protectionist policies; (Washington Post, 1/10/17)**- This article reports on recent comments made by Michael Froman, former USTR under the Obama administration. In his final formal remarks, Mr. Froman warned that rejecting the TPP and other free trade agreements (FTAs), would likely lead to a situation in which the US would cede its “*dominance of the global economy*” to China. Mr. Froman emphasized that China is currently striving to negotiate its own FTA with would-be TPP members.
- **What will Trump change about trade relations with China? Here’s what you need to know; (Washington Post, 1/10/17)** – This article reviews the current status of US- China trade relations and concludes the following:
 - Assuming that negotiating with China on the basis of upholding a “One China” policy is not likely to have positive results in that the current One-China policy is firmly established and articulated in current US security commitments;
 - Despite President Trump’s claim that China is artificially devaluing its currency, thereby gaining a significant and unfair trade advantage, in actuality, in response to a declining economic growth rate, in recent years China “*is building up its currency, not devaluing it*”; and
 - The abandonment of the TPP leaves the door open for China to proceed with its own Asian FTA, the Regional Comprehensive Economic Partnership.
- **Trump’s vow to crack down on outsourcing rattles drug makers with factories in Asia; (statnews.com, 1/11/17)** – This article examines President Trump’s threats to change the prevalence of outsourcing the manufacture of prescription and generic drugs. President Trump has publically suggested that he might impose heavy tariffs on the import of these pharmaceuticals or the ingredients used to manufacture these drugs. In addition, President Trump has threatened to crack down on the lack of quality that is often occurring in the manufacturing of pharmaceuticals in other countries.
- **U.S., EU complete insurance covered agreement negotiations; deal may be filed with Congress this week; (Inside US Trade, 1/11/17)** – This article reports that the US and the EU have completed a “covered agreement” regarding insurance and reinsurance. The article further reports that the agreements had to have been filed with various Congressional committees by January 13th and would go into effect 90 days after Congressional notification has taken place or April 13th.
- **Kerry defends trade pact on last trip as top US diplomat; (Washington Post, 1/13/17)** – This article reports on former Secretary of State John Kerry’s last foreign trip in which he visited Vietnam. While in Vietnam, Secretary Kerry extolled the virtues of the TPP even though he was quite cognizant that President Trump campaigned in opposition to US approval of the TPP. Secretary Kerry maintained that “*Shift in our administrations in Washington is not going to alter the commitments of the United States to prosperity and stability and security of the Asia-Pacific...our friendship doesn’t depend on individuals or personalities.*”
- **New Balance founder gave nearly \$400,000 to Trump; (Boston Globe, 1/13/17)**- This news article reports that Jim Davis, Chairman of the New Balance footwear company, personally donated \$396,500 to Donald Trump’s presidential campaign. This significant

donation has attracted attention in that the New Balance company had strongly opposed the TPP- a stance shared with now-President Trump.

- **Froman promises revealing TTIP ‘snapshot’; (Politico Pro, 1/13/17)** – This article reports that in mid-January, former USTR Michael Froman had promised to publish a snapshot of the current status of the TTIP which is currently being negotiated between the US and the EU. In brief, USTR Froman believes that a great deal of progress has been made on regulatory issues and that the proposed negotiations could be resumed “*with momentum*” if so decided by the Trump administration.
- **Fact Sheet on Insurance Regulatory Agreement between the US and the EU; (Politico Pro & U.S. Treasury Department, 1/13/17)** – This brief news article reports on a fact sheet (see copy) published by the US Treasury Department regarding the recent insurance regulatory agreement recently reached by the US and the EU. In brief, the fact sheet states the following:
 1. The EU will not be able to apply “Solvency II capital requirements” to the worldwide operations of US insurance companies;
 2. The EU will be able to impose its applicable rules on the European operations of US insurance companies but these rules will not apply to the non-EU operations of US insurance companies;
 3. In terms of other insurance regulations, those US states that have the authority to regulate their domestic insurance industry will be required to update their rules that apply to reinsurance issued by EU insurance companies;
 4. The agreement also requires that US states have 5 years to remove collateral requirements for those EU insurance companies that have met specified consumer protection conditions; and
 5. If after three and a half years, states have not conformed to the plan, the Treasury’s federal Insurance Office will have the authority to preempt any such state laws.
- **Trump Nominees Give Vietnam’s Premier Hope for Trade Pact; (Bloomberg.com, 1/15/17)** – This article reports on recent comments by Vietnamese Premier Nguyen Xuan Phuc in which he stated his hopes that President Trump would reconsider approval of the TPP. The article also cites recent relatively pro-TPP comments from Trump’s nominee for Secretary of State Rex Tillerson.
- **Trump’s UK trade pledge: hurdles to a quick deal, Brexit terms, competing interests and sheer complexity could all delay agreement; (Financial Times, 1/15/17)** – This article covers President Trump’s recent pledge that a bilateral trade treaty with the UK will happen relatively quickly. The article lists several hurdles that may prevent a quick agreement:
 - Technically, the UK cannot negotiate a separate trade agreement until it has successfully removed itself from the EU- a move which may take a while;
 - Any bilateral trade agreement with the UK will have to be followed, perhaps almost simultaneously, with a separate trade deal between the US and the EU which is likely to take several years to negotiate; and
 - The accomplishment of any trade deal is always accompanied by the struggle of competing interests and at this time, it is not all clear how competing interests in each country (such as agricultural and public health) would regard the terms of any future bilateral trade deal.

- ***A look at how Trump might shake things up in Asia; (Washington Post, 1/16/17)***- In its discussion of how the policies of President Trump might alter the status quo of Asian politics, trade and security, this article mentions several possible, and even probable, outcomes:
 - President Trump’s opposition to FTAs like the TPP is likely to fuel fears of protectionism which may significantly depress international trade;
 - The US’s withdrawal from the TPP is likely to force Asian countries like Japan to significantly revise its “external economic policy”; and
 - Withdrawing from the TPP may have the effect of hastening the approval of rival Asian trade deals such as the Regional Comprehensive Economic Partnership (RCEP).
- ***Labor says TPP is dead because Trump killed it; (The Australian, 1/17/17)*** – This Australian news article reports that the Labor Party leaders in Australia were urging the Prime Minister to cease efforts to have Australia approve the TPP because of President Trump’s stated goal of withdrawing from the TPP. One Labor spokesman, Jason Clare, stated that “*The way this agreement {TPP} works is, unless the United States ratifies the TPP, there is no TPP*”. The article also makes it clear that even if the US had remained in the TPP, that there was significant political opposition to Australian ratification of the TPP.
- ***U.S. Ambassadors in Asia Make Final Plea for Dead Trans-Pacific Trade Pact; (New York Times, 1/17/17)*** - This article reports that six (now former) American ambassadors to Asian countries, took the unusual step of signing an open letter to Congress that strongly supported the TPP by warning that “*walking away from the TPP may be seen by future generations as the moment America chose to cede leadership to others in this part of the world and accept a diminished role.*”
- ***‘No one is a winner in a trade war’: Xi Jinping praises globalization; (Boston Globe, 1/17/17)***- This article reports on the recent comments of Chinese President Xi Jinping who stated in a speech before the World Economic Forum that, “*Protectionism is like locking yourself in a dark room, which would seem to escape wind and rain but also block out the sunshine. No one is a winner in a trade war.*”
- ***EU-U.S. TTIP report says deal could be completed with enough political will; (Inside US Trade, 1/17/17)*** – This article, written before President Trump took office in late January, reports that a joint report issued by the European Commission and the USTR concludes that the TTIP could be completed with appropriate prioritization of currently negotiated topics and a determined political will on both sides. The article also identifies many unresolved regulatory issues such as pharmaceuticals, cosmetics, pesticides, chemicals, information and communications technology and engineering.
- ***Ross pledges to design ‘model trade agreement’, calls for systematic re-examination of deals; (Inside US Trade, 1/18/17)*** – This article reports on comments made by incoming Secretary of Labor Wilbur Ross on his intention to design a model trade agreement which could be used as a template for future trade agreements that the US signs on to. In particular, Mr. Ross advocated for the following:
 - The use of a model trade agreement would eliminate the need to start with a “blank page” in which every phase of an agreement has to be negotiated from the start, which is a long and time consuming process;

- The need for a period of re-examination in which a trade agreement can be assessed to see if the stated goals are being achieved;
- A model trade deal should feature mutual reciprocity and “*simultaneity of concessions*”.

The article also discusses several other trade issues identified by Secretary Ross:

- Trade issues to be discussed in any future NAFTA negotiations should include Buy America provisions, automotive rules of origin and the dispute settlement mechanism;
- Reopening NAFTA will be a “*very early topic*” for the Trump administration; and
- While nothing is inherently wrong with multilateral trade agreements, bilateral trade agreements are quicker and easier to negotiate.

*** U.S. – EU insurance agreement welcomed by industry groups, questioned by state**

regulators; (Inside US Trade, 1/20/17) – This article reports that the recent insurance agreement made between the US and the EU has the support of the American Insurance Association and the Reinsurance Association of America. These industry groups believe that the agreement will provide mutual protection for US and EU insurance groups operating in each other’s sovereign realms. However, the National Association of Insurance Commissioners has concerns that the agreement contains “*a provision requiring US state regulators to remove requirements for foreign reinsurers to post collateral when taking on risk, and the possibility that the federal government would issue pre-emption determinations if states are not in compliance with the deal*”.

***Trump memo directs USTR to carry out formal TPP withdrawal procedures; (Inside US**

Trade, 1/23/17) – This article reports that President Trump has initiated the formal procedure to withdraw the US from the TPP.