

Article notes: April 30, 2014
Citizen Trade Policy Commission

Japan, Australia agreement could make TPP completion harder; (farmfutures.com, 4/8/14)

This article reports that Japan and Australia have entered into a bilateral FTA that is likely to have a significant impact on the final stages of the TPP negotiations. In particular, the terms of this FTA allows the exemption of certain agricultural products from a ban on tariffs- a position favored by Japan but opposed by some US agricultural groups in the TPP negotiations. The article quotes a number of US sources who maintain that the Japan-Australia FTA will significantly undermine the hopes for a strong TPP agreement.

21st Century Trade Policy Must Give All Americans a Chance to Get Ahead; (tpp-allies; 4/10/14)

This article is the verbatim text of a speech given on 4/10/14 by US Senator Ron Wyden (D), Oregon. Senator Wyden is Chair of the Senate Finance Committee and delivered this speech to the American Apparel & Footwear Association Conference. Senator Wyden made the following points in his speech:

- Following the lead and example of President John Kennedy, who advocated for strong international trade as a fundamental element of effective foreign policy, Senator Wyden contends that US trade policy must be continually focused on the creation of good paying middle class jobs;
- Senator Wyden supports the TPP and TTIP but only if they meet certain conditions:
 - These FTAs must be enforceable;
 - FTAs must promote digital trade and foster innovation;
 - FTAs must not engage in any type of internet censorship;
 - FTAs must have strong labor and environmental standards; and
 - FTAs must be ambitious and open foreign markets to increased levels of American exports.
- Senator Wyden also advocated for a “smart-track” approach to Congressional approval of FTAs which features a high degree of transparency and the ability of Congress to be involved in negotiated agreements.

Back to Square One for TTIP: a Green Agenda for Free Trade; (atlantic-community.org; 4/10/14)

This advocacy piece was authored by Dieter Janccek who is the Green Party’s Spokesperson for Economic Policy in the German parliament. Mr. Janccek advocates that the TTIP should represent high ecological and social standards that are based on shared values held by the US and EU nations. Mr. Janccek also makes the following points:

- Free trade does not necessarily have to result in the disproportionate distribution of benefits and the erosion of long established standards;

- Were the TTIP to adopt a Green agenda, a sustainable and balanced economy could be achieved for all parties involved; and
- The many existing environmental concerns are ones that are shared by the US and the EU nations and the tipping point has been reached in which it makes economic sense to adopt trade policies which seek to alleviate these environmental issues.

Europe wants its cheese names back, and some Mainers agree; (Portland Press Herald; 4/15/14)

This article discusses the efforts by EU nations to have the TTIP protect the regional names of many cheese products and the reactions of many in the Maine cheese making community to these proposed restrictions. The general tenor of the comments from Maine cheese producers is somewhat sympathetic to the EU position which is a stance contrary to most US dairy and cheese producer organizations. Some of the Maine perspective may be rooted in our sensitivity to protecting certain Maine brand products such as blueberries and lobsters.

This Time, Get Global Trade Right; (New York Times; 4/19/14)

This recent editorial in the New York Times strongly advocates for a process that results in more effective FTAs. With regards to the TTP and the TTIP, the editorial pushes for FTAs that are more effective in promoting free trade but also strive for a more transparent and truly representative process. The editorial opposes the lack of public transparency and the lopsided representation of private business and corporations in the USTR negotiating process. The editorial also supports the inclusion of enforceable environmental and labor standards in both the TPP and the TTIP.

Why Trade Promotion Authority is Essential for U.S. Agriculture and the Transatlantic Trade and Investment Partnership; (United States Department of Agriculture; April 2014)

This public statement from the USDA strongly supports the approval of Trade Promotion Authority (Fast Track) for the TTIP as a means of significantly boosting American agricultural exports. The rate of growth for American agricultural exports to Europe has not kept pace with the rate of growth for other exported products and a great deal of this relative lack of growth can be attributed to increased international trade competition and a number of bilateral FTA agreements between EU nations and other countries. A successful TTIP would:

- Eliminate trade barriers;
- Resolve disagreements over existing non-tariff barriers; and
- Reduce costs resulting from regulatory differences.

The USDA maintains that approval of Trade Promotion Authority would signal to the EU nations that the USTR has the strong support necessary to negotiate a fair and effective TTIP.

Obama, Abe and a high-stakes trade deal (bbc.com; 4/24/14)

This article reports on the importance of a successfully negotiated TPP to both the US and Japan, albeit from different economic and political perspectives. From the US perspective, the TPP is a crucial element of President Obama's "Asian pivot" to maintain US influence in Asia and promote trade with the world's fastest growing economic and regional sector. From the perspective of Japan's Prime Minister Shinzo Abe, an effective TPP will boost Japan's economic growth which has been stalled in recent years.

Why Corporations Are Freaking Out About Obama's Big Trade Deal; (Huffington Post; 4/24/14)

This article focuses on the perspective shared by an increasing number of prominent US businesses that FTAs like the TPP have failed to effectively address issues like excessive currency manipulation by US trading partners such as Japan. In particular, the recent Japanese policy of lowering the value of the yen has the effect of lowering the price of Japanese goods without lowering living standards in Japan. This policy of currency manipulation has the effect of lowering the amount of international goods that are imported into Japan. Large US auto manufactures like Ford are opposed to approval of the TPP if it does not effectively address the issue of currency manipulation. The article also makes the point that in many cases, FTAs like the TPP have the real effect of furthering foreign policy goals rather than achieving an improved international trade climate.

Obama warns South Korea over treatment of US exporters; (Financial Times; 4/25/14)

This article reports on the growing US frustration with South Korea's alleged failure to fully implement the recent US- South Korea FTA which was finalized in 2012. In particular, the article reports that South Korea has implemented a policy of unprecedented level of investigations of US imports and their "Country of Origin" status. These investigations could lead to the imposition of millions of dollars' worth of tariffs on imported US goods. The US has been warning South Korea that continuation of a failure to fully implement the 2012 FTA will significantly reduce any chance that South Korea can participate in or benefit from the TPP.

German MEP Doubts TTIP Deal Before 2017, Urges Rethink of Agenda; (Inside US Trade; 4/25/14)

This article focuses on the recent public comments made by Reinhard Buetikofer, a prominent member of the German Parliament and representative of the Green Party. Mr. Buetikofer maintains that the TTIP is unlikely to be approved in its present form before 2017 and cites several reasons to support his contention:

- President Obama is unlikely to receive Congressional approval of his Trade Promotion Authority proposal before the end of his term; many Democrats oppose TPA and Republicans are unwilling to grant the President any kind of economic or foreign policy success;

- From the EU perspective, the European Commission is likely to have a realignment of power at the end of 2014 and thus will be less inclined to further pursue the present direction of TTIP negotiations which he characterizes as the resolution of regulatory differences, cooperation on technology issues like ‘e-mobility’ and promoting clean transportation;
- In addition, the European perspective on the TTIP is beginning to reflect concern about three perceived agendas on the TTIP which are sometimes contradictory:
 1. A “common sense” agenda of cooperative efforts to create jobs through increased trade;
 2. An agenda which promotes a strategic US-EU alliance; and
 3. An agenda in which multinational corporations are able to accomplish all of their goals of the past 25 years that have been thwarted by national policies, laws, rules and standards.