



# THE TRUTH ABOUT THE TRANS-PACIFIC PARTNERSHIP

**1 MYTH** TPP is NAFTA on steroids.

**FACT** **The TPP aims to be the most progressive trade agreement in U.S. history by making improvements over past trade agreements and addressing 21st century issues such as e-commerce, digital data flows, state-owned enterprises, IP protections and environmental and labor standards. This will ensure that TPP will deliver economic benefit and help level the playing field for American workers and businesses.**

---

**2 MYTH** TPP will open the U.S. to a flood of cheap imports.

**FACT** **Because the U.S. already has some of the lowest tariffs on imported goods in the world (on average 1.4%), most imports are entering our market whether or not we have the TPP. In fact, most goods from poorer countries have already been entering the U.S. tariff-free for years.**

---

**3 MYTH** TPP will prevent local, state and federal government from enacting regulations in interest of public safety or health.

**FACT** **President Obama has emphasized his commitment to ensuring that the TPP maintains governments' right to regulate in the public interest, such as for health, environment, safety or consumer protections. In fact, the TPP will improve safeguards to protect governments against frivolous lawsuits from foreign companies.**

---

**4 MYTH** TPP's Investor State Dispute Settlement System (ISDS) will enable foreign companies to sue the government for lost profits or to block regulations.

**FACT** **The purpose of a strong ISDS is to provide American citizens doing business abroad with the same basic rights and protections that foreign investors receive in the U.S. Nothing in ISDS would undermine U.S. sovereignty, change U.S. law, prevent our government from regulating in the public interest, nor grant any new substantive rights to multinational companies. The U.S. is already part of 50 agreements that include ISDS provisions and has never lost a case because we already have strong legal standards that protect private property and contract rights.**

---

**5 MYTH** Trade agreements make it more difficult for Americans to compete with low-paid foreign workers.

**FACT** **By negotiating strong, enforceable labor standards, trade agreements level the playing field so that American employees can compete more fairly with foreign workers. For example, TPP includes increased rules against child and forced labor and establishes requirements for countries to adopt laws on minimum wages, hours of work and occupational health and safety.**

---

**6 MYTH** TPP will raise the cost of medications in the U.S. and prevent the poor from accessing medicines in the developing world.

**FACT** **TPP aims to strike a balance between making medicines more widely available, especially in the developing world, and preserving incentives for development of new treatments and cures. Without strong IP protections, innovators will not be able to develop lifesaving treatments that help us all, including patients in the developing world. Nothing in the TPP stops medicines that have exhausted their patent lives from becoming available as low-cost generics, and the TPP would not change current U.S. patent law.**

---

**7 MYTH** TPP has been negotiated in secret.

**FACT** **The Obama Administration has made the full TPP negotiating text available to any member of Congress interested in seeing it. The U.S. Trade Representative has done over 1,600 briefings on TPP with members of Congress and their staff. In addition, USTR has expanded the advisory committee system to include labor, health advocates, and NGOs.**

---

**8 MYTH** Free trade agreements increase the U.S. deficit.

**FACT** **The 20 countries with which the U.S. has free trade agreements (FTAs) represent only 10% of the world economy but buy nearly 50% of our exports. The U.S. has an aggregate trade surplus with our FTA partners, especially in manufacturing, agriculture and services. Our trade deficit is mainly due to countries with which we don't have FTAs.**



# THE TRUTH ABOUT THE TRANS-PACIFIC PARTNERSHIP

**9 MYTH** TPP is not really a trade agreement since most of the chapters don't address tariffs.

**FACT** Trade barriers in the 21st century are much more complex than just tariffs. If we don't address true competitive issues like intellectual property protection, competition with state-owned-enterprises (SOEs), cross-border data flows, or discriminatory regulations, we're failing to create a level playing field for our exporters.

---

**10 MYTH** The public is rallying against the TPP.

**FACT** A recent Pew survey shows that 55% of Americans think that TPP would be good for our country. In another survey, 72% of respondents believe that seeking trade agreements that eliminate unfair trade barriers, open foreign markets and create a fair and level playing field for U.S. goods and services would benefit our country.

---

**11 MYTH** Trade agreements have cost the U.S. jobs.

**FACT** U.S. unemployment decreased to 5.1% in the period 1994-2007, compared to 7.1% during the period 1980-1993. In 2013, the United States exported more Made-in-America goods and services than at any other time in history (\$2.3 trillion), supporting an estimated 11.3 million jobs. These export-related jobs pay 13-18% more on average than other jobs.

---

**12 MYTH** It's not necessary to enter into new trade agreements to grow the U.S. economy.

**FACT** The U.S. ranks 130th of 138 countries for "highest tariffs faced," and the only way to break down these barriers and level the playing field for our exporters is to negotiate new free trade agreements. If the U.S. is not at the negotiating table, other countries will write trade rules we don't like – rules that put our exports at a disadvantage and lower trade, labor, environmental and other standards.

**13 MYTH** Imports hurt American companies.

**FACT** Many U.S. companies rely on global supply chains to remain competitive, with 55% of imported goods used as inputs for manufacturing or other value-added activities. The ability to reliably access affordable supplies and merchandise enables U.S. manufacturers and retailers to increase sales and exports, creating more U.S. jobs.

---

**14 MYTH** Trade agreements lower environmental and labor standards.

**FACT** Negotiating high-standard trade agreements is the greatest tool at our disposal to raise global labor, human rights and environmental standards. The TPP will contain the strongest labor protections and most cutting-edge environmental, wildlife, fisheries and forestry protections of any trade agreement in U.S. history.

---

**15 MYTH** Trade Promotion Authority (TPA), also known as "fast track," will take away Congress' ability to review trade agreements like the TPP.

**FACT** Through TPA (fast track), Congress provides U.S. trade negotiators and the President with clear direction about the priorities they require for our country's trade agreements. In short, fast track empowers Congress to improve our nation's trade agreements and holds the President accountable for living up to those values. Only agreements that meet those requirements as stipulated by Congress in TPA are given a vote in Congress, so it in no way fast tracks bad agreements.

---

**16 MYTH** TPA is not necessary to negotiate new free trade agreements.

**FACT** Without TPA, other countries will not give us their best offers in negotiations because they will not believe the U.S. is serious about finalizing the agreement. Passing a trade agreement without TPA would be incredibly difficult, if not impossible, because U.S. trade negotiators would have to reopen trade agreements that have already been finalized. For this reason, every President since Franklin Roosevelt – except President Obama – has had authority to negotiate trade agreements.