

## **Endgame: Challenges for the United States in finalizing the TPP Negotiations**

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### **Introduction**

The Trans-Pacific Partnership (TPP) is the single most important trade negotiation under way for the United States. With the stagnation of the Doha Round at the multilateral level and the acceleration of Asian regionalism, and at a time of economic uncertainty in the aftermath of the Global Financial Crisis (GFC), the U.S. government has aimed to accomplish three very important goals with the TPP. One, to establish a platform for the dissemination of high quality rules on trade and investment since the WTO has not updated these rules as part of a broad multilateral round since the conclusion of the Uruguay Round in 1994. Two, to avoid marginalization from a process of Asian regional integration led by China, as there was concern with the modest progress in disseminating the American "gold standard" through bilateral trade agreements. And three, to tap into the economic dynamism of Asia as part of a larger effort to find off-budget sources of growth through an export promotion strategy.

A lot is at stake, therefore, in the successful conclusion of the TPP. Spanning for three years now, the TPP talks have reached their most critical stage and U.S. leadership will be required to bring these negotiations to a fruitful conclusion. The TPP project has garnered a lot of attention for its no-exclusion mantra and its aim to tackle non-tariff barriers in uncharted areas. However, negotiating new rules on areas such as state-owned enterprises and intellectual property (to name a few) has not been easy and substantial gaps in the negotiating positions of participating countries persist. Moreover, the final shape of the market access commitments is unknown yet, and the TPP negotiations are now confronted with a critical issue: will some *minimal* exclusions be tolerated to give governments the necessary flexibility to appease domestic political pressures, and if so, can this be done without going down a slippery slope that

compromises the level of ambition of the agreement? Finally, the United States Trade Representative (USTR) has undertaken the negotiation of a very complex trade agreement without enjoying Trade Promotion Authority (TPA), and the Obama administration is hard pressed to renew it to move forward the negotiations and to facilitate the process of Congressional ratification down the road.

This paper is organized as follows. Section one discusses in more detail the goals that the United States is trying to achieve through the TPP agreement. It highlights the reasons why this negotiation has become the cornerstone of the Obama administration's trade policy. Section two discusses the current state of TPP negotiations as they reach their final critical stage. In particular, it focuses on some of the most contentious issues where substantial disagreements among negotiating parties must be bridged. Section three analyzes the influence of domestic politics on American trade policy, especially as it impinges on the ability to renew trade promotion authority and pave the way for the ratification of the completed TPP deal.

### **Section One. American Objectives in the TPP talks**

The TPP plays a key role in U.S. trade policy as it helps accomplish key goals: disseminating new rules on trade and investment through free trade agreements given the paralysis of the Doha Round; avoiding marginalization from a process of Asian regionalism that could end up being dominated by China; and building an Asia-Pacific platform for high standard integration that could deliver significant economic payoffs if larger trading partners eventually join and could help solidify the broader strategic goal of "turning" to Asia in the attempt to rebalance U.S. foreign policy.

Concerned with the lack of progress in the Doha Round, the United States government launched in the early 2000s a strategy of competitive liberalization through bilateral FTAs (Aggarwal, 2010). In the words of USTR Zoellick: "The key division at Cancún was between the can-do and the won't-do countries. [...] As WTO members ponder the future, the U.S. will not wait: we will move towards free trade with can-do countries" (*Wall Street Journal*, November 17, 2003). The central aim of this strategy was to use the lure of preferential market access to the American market to encourage countries to endorse the so-called American gold standard which incorporates multiple WTO commitments (on investment, intellectual property protection, etc.).

While the United States managed to negotiate bilateral trade agreements in the region with industrialized nations like Singapore and Australia, negotiations with Malaysia and Thailand came to naught. Moreover, the more significant trade agreement since the negotiation of NAFTA, the Korea-US FTA (KORUS) remained in ratification limbo for several years (Koo, 2009).

While American trade policy in East Asia was failing to gain traction, the region was in fact experiencing a boom in trade integration efforts with the rapid proliferation of FTAs, and plans for regional integration projects around the ASEAN+3 and ASEAN+6 proposals (Kawai and Wignaraja, 2008). The American decision to join the P4 FTA (TPP's predecessor) reflects the strong desire to avoid being sidelined from Asia's budding trade architecture.<sup>1</sup> From the point of view of the American government, the Trans-Pacific Partnership initiative offered multiple advantages. First of all, the United States would be joining a trade grouping which endorsed high levels of liberalization and was therefore compatible with the American FTA template. Second, instead of proceeding through bilateral negotiations, the TPP represents the endorsement of a tipping point approach. In other words, the bet is that by gathering a critical mass of countries, other countries will feel compelled to join as well. Third, the open accession clause of the TPP offers the possibility of constructing a genuine Asia-Pacific platform that delivers significant economic and political payoffs (Solís, 2012).

Indeed, the TPP is part of a larger strategy of regional diplomatic engagement pursued by the Obama administration. These efforts were evident in the decision to sign the Treaty of Amity and Cooperation in July 2009, to negotiate the TPP in December 2009, to join the East Asia Summit in October 2010, and in the announcement of a rebalancing towards Asia in the fall of 2011.<sup>2</sup> Then State Secretary Clinton summarized the goals of the economic agenda in the U.S. "forward deployed" strategy: to harness Asia's economic dynamism and to partake in the construction of the region's economic architecture (Clinton, 2011). Undoubtedly, the TPP is the centerpiece of the effort to achieve high level economic liberalization in Asia-Pacific.

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<sup>1</sup> This announcement came in the last months of the Bush administration in late 2008. When President Obama was inaugurated, the decision on the TPP was put on hold for about a year to carry out a review of trade policy.

<sup>2</sup> For a good analysis of the novel elements of the pivot, see Manyin et al (2012).

## Section Two. Contentious Issues in the TPP talks

The TPP is an extremely complex negotiation. Comprising 29 different chapters, the aim of the agreement is to achieve unprecedented levels of tariff abolition and to eliminate non-tariff barriers by incorporating more exacting standards on areas such as intellectual property, service liberalization, government procurement, technical barriers to trade, and sanitary standards; in addition to adopting commitments on areas not covered by the WTO (such as competition, investment, labor and the environment). But the TPP's designation as a 21<sup>st</sup> century agreement owes much to its inclusion of cross-cutting issues such as state-owned enterprises (SOEs), competitiveness and supply chains, e-commerce, small and medium sized enterprises and regulatory coherence.

Delivering results on such an ambitious template has been difficult with the negotiations taking much longer than expected. The purpose of this section is to examine a selection of some contentious issues in the TPP talks. Due to space constraints, a fuller assessment of the plethora of topics covered in this negotiation is not possible. The aim is, however, to capture the complexities of some of the issues at stake, many of which will most likely be resolved in the terminal stage of the negotiations as they will require political intervention at the highest level.

### *Market Access*

The no-exclusions mantra has generated high expectations that the TPP can avoid the cardinal sin of most free trade agreements of sheltering the sensitive sectors from liberalization. Elms (2012a: 119) provides a good yardstick as to what would constitute a high level agreement on goods liberalization: a common tariff schedule, a single chapter for all goods (including agriculture and textiles), simple rules of origin, no product carve-outs and avoidance of tariff-rate quotas that provide only for limited market opening.

However, the United States has greatly complicated the chances of generating a single tariff schedule for all the TPP parties as it insisted on extending market access offers only to the countries with which it does not already have an FTA (Peru has followed this approach as well). The other TPP countries instead have worked on a plurilateral tariff schedule, and the process for reconciling the bilateral and plurilateral approaches later on remains unclear (Solís, 2012: 329). The American approach to market access negotiation has had one more important repercussion: it has created uncertainty on how sensitive sectors will be treated. The U.S.-Australia FTA

excluded sugar, and a major objective for the Australians in the TPP has been to liberalize the sugar trade, or at a minimum to obtain an expanded tariff rate quota (Schott, Kotschwar and Muir 2013: 22). So far, the United States has not put sugar on the negotiation table, but it is important to note that there are powerful foes of the protectionist sugar policies within the United States as well. The food industry has balked at the elevated cost of sugar, and in the spring of 2013, the possibility of using taxpayer money to maintain high sugar prices has brought greater public scrutiny of this program (*The Washington Post*, March 29, 2013).

The United States also has defensive interests in dairy. The American dairy sector has complained that New Zealand's large dairy cooperative Fonterra (which accounts for 90% of the country's milk production) operates de facto as a monopoly, a charge that New Zealand disputes. Given the entrenched views on each side, the dairy issue is not expected to be solved until the endgame of the negotiations (Fergusson et al, 2013). Another thorny issue that reflects U.S. defensive interests is the textile rule of origin. Vietnam in particular is a large clothing exporter and has insisted on a more liberal approach, the cut-and-saw rule, which would allow it to import fabric from other countries and still enjoy preferential treatment in its apparel exports to TPP countries. The United States has used in its FTAs a much more restrictive rule of origin, known as yarn forward, and is currently exploring a somewhat looser approach through a short supply list (whereby components in temporary or permanent short supply) can be used in qualifying apparel products (*Inside U.S. Trade*, March 15, 2013).

Of course the United States is not the only country seeking to minimize disruptions in sensitive sectors, but the discussion above is useful to highlight two main points. First, the 20<sup>th</sup> century concerns of market access commitments figure prominently in TPP talks. Second, the negotiations over market access spill over the talks in the rules area of the TPP in ways that both advantage and disadvantage the United States. For instance, according to some reports, New Zealand is considering changing its national drug reimbursement program to meet American requests with the expectation of a breakthrough in dairy (Fergusson et al, 2013: 25). And Elms (2012) points out that absent lower tariffs and simpler rules of origin in textiles, Vietnam is less willing to accommodate American demands on issues such as SOEs and government procurement.

### *Intellectual Property*

This is undoubtedly one of the thorniest topics to address in the TPP negotiations. At the core of this issue is a debate on how to balance competing goals: to properly reward innovators so as to encourage creativity, but also to ensure the trickle down of new technology so that affordable products are accessible to the vast majority of the population. Intellectual property regimes, therefore, seek to strike a balance between temporal exclusive rights and the dissemination of knowledge. The task is far from easy and a heated debate has erupted as to whether the IP provisions in FTAs are trade-enhancing or trade-restricting, and whether they result in a balanced distribution of benefits between developed and developing countries (Sell, 2007, Frankel, 2012).

The intellectual property chapter of the TPP has set forth a complex negotiation process as it touches upon several key aspects such as pharmaceutical patents and access to medicines, copyright protection and enforcement, and flows of information in the digital economy. No consensus position on these different areas has emerged and progress in drafting the IP chapter has been slow, as the discussion that follows shows.

Intellectual property protection in the area of pharmaceuticals has been a focal point in the negotiations. It is important to underscore that even within the United States there are different views as to what rules would be best to protect the proprietary innovations of pharmaceutical companies and to guarantee access to medicines in the developing world. These different views are reflected in two potential models that could serve as the template for the TPP agreement: the May 10 accord inked between President Bush and House Democrats in 2007, and the IP chapter in the KORUS FTA. The latter is stricter than the former in three main areas: a) patent linkage (a government must verify no drug patents are infringed before approving marketing of generic drugs); b) patent term extension (if there is delay in approving patents a government must compensate the patent holder); and c) data exclusivity (the patent holder can abstain from sharing drug test data with generic manufacturers for a certain amount of time). Since the May 10<sup>th</sup> agreement was concerned with ensuring access to medicines, it adopted a flexible position, making patent linkage and patent term extension optional, and starting the five year withholding period for data exclusivity at the time of the first filing. None of these flexibilities are available in the KORUS FTA (*Inside U.S. Trade*, April 29, 2011, Solís, 2012).

The USTR tabled in September 2011 a "White Paper on Access to Medicines" which endorsed an approach closer to the stricter KORUS FTA. The thrust of this proposal is to offer an incentive to pharmaceutical companies to market their products sooner by offering stronger protections in patent linkage, patent term extension, and data exclusivity if they file for marketing approval within an access window (of still undefined duration). Another important element of this proposal is its demand for greater transparency in national drug reimbursement programs as American companies have frequently complained that they lower drug prices (*Inside U.S. Trade*, March 11, 2011).<sup>3</sup>

The American position on intellectual property for pharmaceuticals, however, has not received wide support. While American drug companies insist they need these stronger protections to sustain their innovation activities and bring new products to market, several TPP nations have remained skeptical. In some cases there is resistance to go beyond IP clauses in existing trade agreements. For example, New Zealand and Chile have advocated an IP chapter that is in accordance with, but does not go beyond the TRIPS chapter of the WTO; and the Peruvian government has stated that it will not accept further obligations than what it is available in the FTA with the United States (which was drafted in conformance with the May 10 Agreement) (Fergusson et al, 2013: 32-33). And the concept of the access window has failed to generate wide support, as the Australian press reported that at the 11<sup>th</sup> TPP negotiation session in March 2012 no other country supported the U.S. IP proposals.<sup>4</sup>

Regarding copyright protection, the United States has aimed for a significant extension of the protection period from what is available in TRIPs (life of the author plus 50 years or 50 years after publication) to 70 years after the author's death and 95 years after creation if the life of the author is not used for the calculation. In addition to advocating a prohibition of parallel imports (whereby countries can import cheaper patented products such as books and videos without obtaining consent from the copyright holder), the U.S. government has also sought much tighter enforcement of copyright violations by prohibiting the circumvention of digital locks and by seeking criminal charges for counterfeiting even if no commercial gain is at stake (Frankel, 2012). These proposals have generated concern among some TPP nations, who for instance

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<sup>3</sup> Another important issue is whether the U.S. government will table in the TPP negotiations a 12 year data exclusivity period for biologics. This standard was incorporated in the 2010 Affordable Care Act, but there is discussion within the United States as to whether it should be shortened.

<sup>4</sup> Cited in Gordon, 2012.

worry that the longer copyright periods could impose a significant cost. The Australian Productivity Commission, for example, estimated that the extended copyright term agreed on the U.S.-Australia trade agreement will impose an additional burden of \$88 million dollars per year for Australia (Frankel, 2012: 162). Moreover, the American proposal runs counter the practices of several TPP nations. For instance, New Zealand and Singapore do allow parallel imports, and neither Australia's nor New Zealand's copyright laws adopt by the region-coding restrictions that the Americans seek (Schott, Kotschwar, Muir, 2013: 30). Finally, Singapore, Australia, and New Zealand have advocated using instead the provisions of the Anti-Counterfeiting Trade Agreement to draft rules on copyright infringement. Notably, this agreement only allows for criminal penalties in cases that result in financial gain (Fergusson et al, 2013: 32).

Given the high stakes involved<sup>5</sup> and the very dissimilar positions of TPP countries, it should come as no surprise that progress on this very important chapter has been very slow. Discussion on pharmaceutical patent protection experienced a one year hiatus from March 2012, and by the spring of 2013, the United States government had not yet tabled a revised pharmaceutical IP proposal. With the presumed deadline of October 2013 looming in the horizon, some analysts have speculated that the USTR may opt for a more flexible approach by applying the more lenient May 10<sup>th</sup> rules to developing nations and the more exacting commitments of the KORUS FTA to industrialized nations (*Inside U.S. Trade*, March 15, 2013). While it is unclear if the United States will indeed try this approach (or whether it is a workable compromise), there is little doubt that intellectual property protection will remain till the end one of the most intractable issues in these trade negotiations.

### *State Owned Enterprises*

Within the U.S. business community there is strong support for adopting in the TPP agreement much enhanced disciplines on SOEs that go far beyond what is currently available in some American FTAs (with Singapore, for example). In April 2011, six industry associations sent a letter to USTR Kirk to this effect, highlighting their concern with discriminatory state capitalism (*Inside U.S. Trade*, April 29, 2011). In October of that year, the American government tabled its proposal on state owned enterprises based on the notion of "competitive neutrality."

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<sup>5</sup> That this is a core area of interest for the United States is revealed by the fact that intellectual property intensive industries account for one third of the American GDP (Schott, Kotschwar and Muir, 2013: 26).



The American government has been explicit in stating it is not requesting privatization of publicly owned enterprises, but wants to ensure that public entities do not derive advantages vis-à-vis private companies in the form of subsidies, operating licenses, preferential loans, etc.

There has been little progress so far in drafting the SOE chapter of the TPP due to serious disagreements on the aim and scope of the proposed disciplines. One major debate has emerged as to whether the aim should be to discipline the public entity (with a focus on public ownership) or the anti-competitive behavior (focus on actions). The Singaporean conglomerate Temasek has favored the latter as it is concerned that several of the companies in which it has invested can be disadvantaged if they have to comply with the exacting disciplines from this chapter (*Inside U.S. Trade*, March 15, 2013). Another major point of discussion is whether the target of the disciplines should be limited to federal entities or be extended as well to sub-federal ones. The United States has supported the former worried that extending these disciplines to sub-national entities like regional power utilities could make implementation very complicated, but Australia has signaled its desire to include sub-central level SOEs (*Inside U.S. Trade*, March 15, 2013).

Finally, there has been discussion as to whether the disciplines should be mandatory or not, but the U.S. position is that only enforceable obligations will tackle the issue at hand (*Inside U.S. Trade*, January 11, 2013). With six months left before the presumed deadline for wrapping up the negotiations at the time of the APEC summit in October 2013, the negotiations on the SOE chapter are said to only have begun in earnest. The stakes are very high given the large weight of SOEs in the economies of some participating countries (40% in Vietnam), but also because the aim is to negotiate standards that could apply to other major emerging economies like China (*Inside U.S. Trade*, March 29, 2013, Fergusson et al., 2013: 44, Solís 2012: 332).

### **Section Three. Domestic Challenges: American Trade Politics**

Domestic politics have greatly influenced U.S. negotiation objectives in the TPP and they will also weigh prominently on the ability of the American government to shepherd the talks to a successful conclusion. The connection between domestic politics and trade policy is evident in three main areas: the substance of the U.S. FTA template, the growing politicization of FTA policy as public opinion grows skeptical and partisan disagreements surface, and the Congressional-Executive back and forth over the renewal of trade promotion authority or TPA

(whereby Congress lays down a negotiation mandate and agrees to a prompt up or down vote of the trade agreement with no amendments).

The negotiation of the North American Trade Agreement (NAFTA) marked an inflection point in American trade politics. As a result of the fractious debate on the merits of signing a trade agreement with a developing country like Mexico, a blue-green coalition of unions and environmentalists has become a mainstay of the political debate on trade agreements (Quiliconi and Wise, 2009). Hence, the incorporation of labor and environmental standards has made steady progress. In the NAFTA renegotiation, these issues were incorporated as side deals, but subsequent trade agreements incorporated these clauses in the main text. The bar on labor and environmental standards was raised with the May 10<sup>th</sup> agreement in 2007 which stipulated that FTA partners of the United States must protect labor rights endorsed by ILO conventions and sign several multilateral environmental agreements (Barfield, 2007). The American FTA template has also expanded to incorporate more exacting standards in areas such as intellectual property, service liberalization, investment protection, and SOEs in order to respond to the demands of American multinational corporations. In other words, as they seek to cultivate domestic support for trade policy, American officials must demonstrate the value added of trade agreements to American businesses that worry about the trading practices of emerging economies (e.g., indigenous innovation requirements or subsidization of public enterprises) (Solís, 2012).

While the U.S. government expands the scope of its trade agreements to be responsive to the demands of specific constituencies, another important trend in U.S. trade politics is the erosion of public support for FTAs. For example, opinion polls show that the percentage of people that believe FTAs benefit the American economy decreased from 50% to 35% between 2001 and 2010; while those that think these trade agreements are detrimental to the economy increased from 30% to 44% in this period (Pew, 2010). A taskforce of the Council on Foreign Relations attributes the growing public skepticism on the merits of free trade agreements to increasing unemployment, expanding income inequality, and modest wage gains (CFR, 2011). Not surprisingly, the Obama administration -inaugurated in the midst of the global financial crisis- put trade policy on hold for a year fully aware that a jobless recovery did not provide an environment conducive for a proactive trade agenda (Solís, 2011).

At the same time, partisan debates on the appropriate scope of trade agreements and the merits of specific FTAs have grown bitter over time. For instance, Democrats and Republicans have articulated different views on the levels of protection required on labor standards and pharmaceutical patents. While Democrats in general have favored stricter rules on labor standards, Republicans have been concerned about their impact on right-to-work legislation (Barfield, 2007). Similarly, Democratic leaders in the Ways and Means Committee have cautioned that the tightening of pharmaceutical patents may hamper access to generic drugs in the developing world, preferring instead to use the provisions of the May 10<sup>th</sup> agreement in the TPP talks (*Inside U.S. Trade*, October 7, 2011). Securing Congressional support for the ratification of FTAs has become a more elusive proposition in the aftermath of the divisive NAFTA debate. For instance, Schott and Muir (2012: 50) point out that several agreements have barely received a simple majority vote in the House, and the Central American Free Trade Agreement barely passed by two votes in 2005.

The fractious consensus is also palpable in inter-branch negotiations on trade promotion authority. In contrast to continuous authorization of TPA (then known as fast track) between 1975 and 1994, it has only been in effect since then between 2002 and 2007. Hence, the United States has embarked on the negotiation of an extremely complex trade agreement without the assurances of an expedited Congressional vote. While USTR has argued that the TPP negotiations and TPA consultations can move in tandem, Congressional leaders have clearly stated that they expect the administration to secure a negotiating mandate from Congress through TPA (*Inside U.S. Trade*, March 9, 2012).

With a target date of late 2013 for finishing the TPP talks and with the launch of two other major trade initiatives (a WTO plurilateral services agreement and an FTA with the EU), securing TPA has become a much more pressing issue for the second Obama administration. Notwithstanding, the assurances from acting USTR Demetrio Marantis that the administration is ready to draft the TPA bill, some experts expect this will not happen till the TPP talks are nearly finished. Two main considerations seem to weigh in this decision: 1) reaching a consensus on negotiation objectives may be difficult not only due to the need to incorporate new issues (digital commerce and SOEs) but also due to the lack of agreement on the key areas of the May 10<sup>th</sup> deal—labor, environment, and intellectual property; and 2) such a parallel negotiation with Congressional leaders could hamper the process of securing compromises on the most

controversial issues in the TPP talks as they near conclusion (*Inside U.S. Trade*, January 18, 2013). The downside of such strategy, however, is that the delay in obtaining TPA is in fact affecting the evolution of the negotiations. As explained by Senator Rob Portman (former USTR under George W. Bush), without TPA: "other countries are not willing to put their last and best offer on the table" (*Inside U.S. Trade*, February 15, 2013). As the analysis above shows, domestic politics have played a large role in shaping the American trade agenda, influencing the pace of the TPP talks, and impacting the chances of ratification of the finished agreement.

### Conclusions

The Trans-Pacific Partnership represents a high-stake experiment in U.S. trade policy as to whether it is possible to use large trans-regional trade pacts to advance a deep integration agenda. As these negotiations approach their final stage, important questions loom in the horizon: Will the heterogeneity of TPP countries frustrate the adoption of the very ambitious economic integration standards? Will the no-exclusion mantra survive or how much flexibility on sensitive sectors can be accommodated without unraveling the negotiation process? And, can the American government secure negotiation credibility through TPA renewal despite fractious domestic trade politics?

In closing, two other important challenges that the TPP project faces must be noted. First, some analysts have worried about the potential securitization of the TPP if this trade agreement becomes hostage to American geostrategic interests (Capling and Ravenhill, 2012). By becoming associated with the U.S. military pivot, critics of the TPP have decried this initiative as an effort to contain China (Zhang, 2011). However, the analysis above has shown that the U.S interest in the TPP derives mostly from a desire to disseminate high standard economic norms and to avoid marginalization from an economically vibrant Asia. China's containment is neither feasible nor desirable, and the fundamental object of the pivot has been to reassure the region about the United States' staying power (Rudd, 2013). Still, a long-term challenge for the TPP project remains on how to engage China productively.

Second, the entire success of the TPP initiative for the United States has always hinged on membership expansion. The initial configuration of the TPP-9 offered meager economic benefits (since negotiating countries represented 6% of American exports), and even with the admission of Mexico and Canada, the fact remained that the United States already has FTAs with

many of the negotiating parties. Moreover, in order to promote the American vision of a Free Trade Area of the Asia-Pacific, the TPP membership needs to grow. On both scores, the admission of Japan in April 2013 to the negotiations is of great consequence to the fate of the TPP. For the United States, Japan's TPP membership dramatically increases the expected gains from trade (from to \$23.9 billion dollars to \$76.6 billion dollars by the year 2025, according to Petri et al, 2013). Enlisting a major regional player like Japan also boosts the TPP's claim to evolve into a genuine Asia-Pacific integration track. However, given the tough position of the automobile caucus in the United States on Japan's TPP participation,<sup>6</sup> it is clear that the larger economic and diplomatic payoffs of Japan's inclusion will be commensurate with the heated domestic politics in the United States to approve this trade agreement.

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<sup>6</sup> On March 14, 2013 a group of more than 30 House Representatives and 8 senators sent a letter to President Obama opposing Japan's participation in the TPP. In their view, there is a long list of barriers that keep the Japanese market closed and cannot be addressed in a trade negotiation: currency manipulation, onerous certification and safety standards, closed distribution networks, and *exclusionary consumer preferences* (emphasis mine). A copy of the letter can be found at: <http://conyers.house.gov/index.cfm/press-releases?ID=5d9fb0bb-2687-46af-a132-d3fe11a36ae6>

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