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TRANS-PACIFIC PARTNERSHIP

DETAILED SUMMARY OF U.S. OBJECTIVES

SEPTEMBER 2015

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What is the Trans-Pacific Partnership?

The United States is currently negotiating the Trans-Pacific Partnership (TPP) Agreement with 11 other Asia-Pacific countries (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam). TPP is a comprehensive agreement that will open markets, set high-standard trade rules, and address 21st-century issues in the global economy. By doing so, TPP will promote jobs and growth in the United States and across the Asia-Pacific region.

The Obama Administration is pursuing TPP to unlock opportunities for American manufacturers, workers, service providers, farmers, and ranchers. We are working hard to ensure that TPP will be a comprehensive deal, providing new and meaningful market access for goods and services;

strong and enforceable labor standards and environmental commitments; groundbreaking rules to ensure fair competition between State-owned enterprises and private companies; commitments that will improve transparency and make it easier for small- and medium-sized businesses to export; a robust intellectual property rights framework to promote innovation, while supporting access to innovative and generic medicines; and obligations that will promote an open Internet and a thriving digital economy.

The Obama Administration is guided in the negotiation's objectives set out in the Bipartisan Trade Priorities and Accountability Act of 2015 and through continuous consultation with Congress, stakeholders, and the public.

This document describes the Administration's goals for TPP, and presents in detail U.S. negotiating objectives. With TPP negotiations ongoing, many of the elements detailed below are not settled. There is still work to be done as we pursue President Obama's vision of harnessing trade as a tool for increasing economic growth, supporting jobs, and building opportunity for Americans through a partnership that will benefit all TPP countries.



RESOURCES

Read the full Bipartisan Congressional Trade Priorities & Accountability Act of 2015 here:

WWW.CONGRESS.GOV/BILL/114TH-CONGRESS/SENATE-BILL/995/TEXT



American Interests & Values

The Context for TPP

The Obama Administration's trade policy of the United States is to level the playing field for American workers and American businesses, leading to more Made-in-America exports and supporting more well-paying American jobs here at home. Last year, U.S. exports reached \$2.35 trillion, a record-breaking level that supported over 11 million American jobs. With those jobs paying up to 18 percent more than jobs not related to exports, trade policy has an important role to play in raising wages and living standards for the middle class. Partially as a result of our exporting success, our economy continues to grow. After nearly two decades in decline, the number of new factories is increasing in this country again and manufacturing jobs are starting to return from overseas.

Behind these statistics are real success stories for working families: the auto parts firm that would have closed its line and gone dark had it not been for overseas markets; the craftsman now finding customers around the world via the internet; and the technology company or the family farm that secured that new contract abroad. There are hundreds of thousands more stories like these.

“Made in America” is making a comeback. More American small businesses are exporting than ever before. American farmers are exporting more than ever before. And American manufacturers and service providers are exporting more than ever before. Still, our workers are competing against counterparts in countries that lack basic labor rights—like the right to associate, have protections against forced labor and child labor, and be free from employment discrimination. That human toll is one that is measured on both sides, in jobs and livelihoods here in the United States, and in a deficit of dignity for workers overseas. That’s why TPP will formalize strong labor protections covering 40 percent of the world economy.

Our businesses are competing against companies that get subsidies from their governments or that don’t have to maintain any environmental standards. The result is a competitive disadvantage for our workers here at home. That’s why TPP contains the first ever disciplines on State-owned enterprises and groundbreaking commitments to protect the en-

vironment and endangered species throughout all 12 partner countries.

Our small businesses are forced to navigate a maze of foreign regulations in order to reach customers in overseas markets. That's why even though more small businesses are exporting than ever before, the vast majority of them aren't exporting at all. Of the small businesses that do export, less than half do so to more than one country, because each country presents its own maze. That's why TPP stands to benefit small businesses, in particular, who don't have the resources of large businesses to navigate a patchwork global economy.

The Obama Administration refuses to continue the status quo—or worse, to have Americans compete in a world where the rules of the road are defined by China, not the United States. TPP is the Obama Administration's effort to use international trade to unlock opportunity and support well-paying jobs, level the playing field for American workers, and make sure that we're the ones writing the rules of global trade—rules that reflect our interests and our values.



RESOURCES

For more information on President Obama's trade agenda, visit

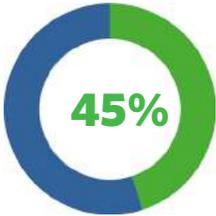
WWW.WHITESHOUSE.GOV/TRADE

The Economic Benefits of U.S. Trade

WWW.WHITESHOUSE.GOV/SITES/DEFAULT/FILES/DOCS/CEA_TRADE_REPORT_FINAL_NON-EMBARGOED_V2.PDF

The Trans-Pacific Partnership

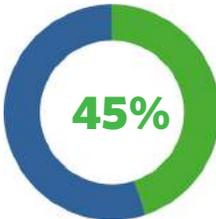
Building on a Record of Success



GOODS

\$727 billion

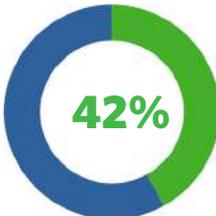
U.S. goods exports to TPP countries in 2014



MANUFACTURING

\$638 billion

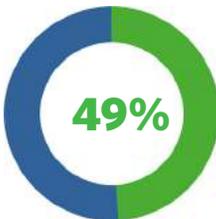
U.S. manufacturing exports to TPP countries in 2014



AGRICULTURE

\$66 billion

U.S. agricultural exports to TPP countries in 2014



SERVICES

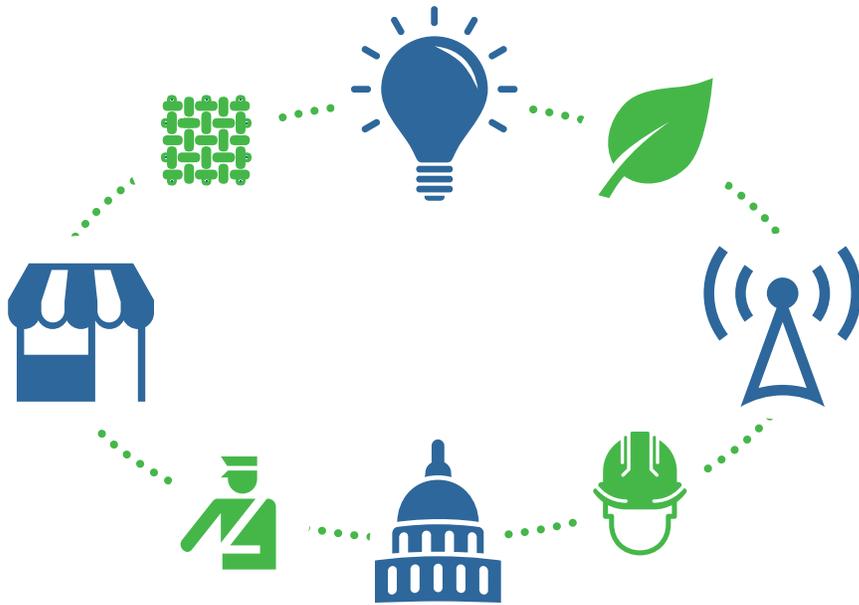
\$199 billion

U.S. services exports to TPP countries in 2013



1.5 million U.S. workers

employed by companies headquartered in TPP countries



Objectives by Topic

Trade in Goods

Helping American producers sell more Made in America products abroad.

THE UNITED STATES SHIPS MORE THAN \$1.9 billion in goods to TPP countries every day. In TPP, the United States is working to build on those exports by negotiating comprehensive and preferential access across an expansive, duty-free trading region for the industrial goods, food and agriculture products, and textiles, which will allow our exporters to develop and expand their participation in the value chains of the fastest-growing economies in the world.

The United States exported more than \$622.5 billion of manufactured products to TPP countries in 2013. With the elimination of TPP countries' tariffs on manufactured products, including innovative and high technology products, such as industrial and electrical machinery, precision and scientific instruments, and chemicals and plastics, U.S. products will compete on a more level playing field with goods from TPP countries' other free trade

Agreement (FTA) partners – including China, India, and the EU. As just one example, certain U.S. auto parts currently face a 27-percent tariff entering Vietnam. Meanwhile, countries that have an FTA with Vietnam, such as China, Thailand, and Indonesia, export their auto parts to Vietnam tariff free. By eliminating tariffs U.S. auto parts companies face, TPP would help boost America’s competitiveness in the Vietnamese market.

Twenty percent of U.S. farm income comes from agricultural exports and those exports support rural communities. In fact, U.S. food and agricultural exports to the world reached an all-time high in 2013 of over \$148 billion. Of that total, we exported more than \$58 billion to TPP countries – a figure that would increase as a result of tariff elimination under TPP. As just one example: U.S. poultry currently faces a 40-percent tariff in Malaysia. U.S. poultry would become more affordable in Malaysia under a TPP Agreement that reduces these tariffs to zero.

OBJECTIVES

- Support American jobs.
- Eliminate tariffs on trade between each TPP country and the United States on the broadest possible basis, taking into account the need to obtain competitive opportunities for U.S. exports while addressing U.S. import sensitivities. This includes eliminating tariffs on U.S. manufactured goods as well as on most agricultural products.
- Achieve new and commercially meaningful market access through significant tariff reductions and preferential tariff rate quotas for the remaining products.
- Address non-tariff barriers to U.S. exports, including discriminatory barriers on agricultural and other products, restrictive administration of tariff-rate quotas, unjustified trade restrictions, or other measures that unfairly limit access to markets for U.S. goods.
- Obtain full reciprocal access to TPP country markets and more open conditions of trade for U.S. textile and apparel products (see more detail in the Textiles section of this summary).
- Establish disciplines on State-owned enterprises to enhance transparency and eliminate market distortions (see more detail in the SOE section of this summary).

- Reaffirm and build on WTO commitments on technical barriers to trade (TBT) (see more detail in TBT section of this summary).
- Reaffirm and build on WTO commitments on sanitary and phytosanitary (SPS) (see more detail in SPS section of this summary).
- Ensure that no commitments would require changes to U.S. antidumping and countervailing duty laws and practices or diminish the U.S. ability to effectively enforce those laws.



RESOURCES

For more information on industrial and manufacturing trade, visit

WWW.USTR.GOV/ISSUE-AREAS/INDUSTRY-MANUFACTURING

For more information on agricultural trade, visit

WWW.USTR.GOV/ISSUE-AREAS/AGRICULTURE

For more information on the economy and trade, visit

WWW.USTR.GOV/ISSUE-AREAS/ECONOMY-TRADE

Textiles

Enhancing the competitiveness of Made in America textiles in the Asia-Pacific region.

U.S. TEXTILE AND APPAREL MANUFACTURERS sold more than \$10 billion worth of products to TPP countries in 2013, an increase of 5.4 percent from the previous year. Many U.S. yarns, fabrics, and apparel currently face very high tariffs upon entering some TPP countries. Our goal in the TPP negotiations is to remove tariff and non-tariff barriers to textile and apparel exports to enhance the competitiveness of our producers in the Asia-Pacific region.

OBJECTIVES

- Eliminate tariffs on textile and apparel exports to TPP countries.
- Secure a “yarn forward” rule of origin, which requires that textile and apparel products be made using U.S. or other TPP country yarns and fabrics to qualify for the benefits of the Agreement.
- Establish a carefully crafted “short supply” list, which would allow fabrics, yarns, and fibers that are not commercially available in TPP countries to be sourced from non-TPP countries and used in the production of apparel in the TPP region without losing duty preference.
- Secure strict enforcement provisions and customs cooperation commitments that will provide for verification of claims of origin or preferential treatment, and denial of preferential treatment or entry for suspect goods if claims cannot be verified.
- Establish a textile specific safeguard mechanism that will allow the United States and other TPP countries to re-impose tariffs on certain goods if a surge in imports causes or threatens to cause serious damage to domestic producers.



RESOURCES

For more information on textiles and apparel trade, visit

WWW.USTR.GOV/ISSUE-AREAS/TEXTILES-APPAREL

Services

Increasing opportunities for American service providers in the Asia-Pacific region.

SERVICES INDUSTRIES ACCOUNT FOR four out of five jobs in the United States, the world's largest services exporter. In 2014, U.S. services exports of \$710 billion supported an estimated 4.6 million jobs and expanded the U.S. services trade surplus to \$233 billion. American service workers are in industries that include the Internet, information, and software services; professional services; financial services; media and entertainment; express delivery and logistics; scientific research and development, telecommunications, and others.

Securing liberalized and fair access to foreign services markets will help U.S. service suppliers, both small and large, to increase exports to TPP markets and support more jobs at home.

OBJECTIVES

- Expand market opportunities for U.S. services suppliers by reducing barriers to international trade in services.
- Ensure that TPP countries do not discriminate against U.S. service suppliers.
- Uphold the ability of governments to set quality and safety standards, to regulate in the public interest, and to provide public services.
- Improve transparency and predictability related to services.
- Establish provisions that would enable service suppliers to supply services without establishing an office in every TPP country.
- Secure commitments that allow for transfer of funds related to the cross-border supply of services to be made freely and without delay, while ensuring that governments retain the flexibility to manage volatile capital flows.

- Establish new or enhanced obligations in specific sectors important to promoting trade (e.g., enhanced disciplines for express delivery services will promote regional supply chains and aid small businesses, which often are highly dependent on express delivery services for integration into supply chains and distribution networks).
- Ensure that TPP service benefits are not open to ‘shell companies’ controlled by non-TPP countries.
- Secure commitments to liberalize foreign financial services and insurance markets while protecting a government’s broad flexibility to regulate, including in the financial sector, and to take the actions necessary to ensure the stability and integrity of a financial system.
- Include a set of specific financial services commitments that would:
 - Allow a portfolio manager located outside its territory (other than a trust company) to provide advice to an asset manager located in its territory.
 - Prevent preferential treatment to postal entities selling direct insurance, including by giving them preferential rights to distribution channels or subjecting them to less stringent enforcement.
 - Allow the cross-border supply of electronic payment services, creating new growth opportunities for U.S. suppliers of electronic credit and debit payment services, a major new growth area in financial services.
 - Permit cross-border transfer of information for data processing where such processing is required in a financial institution’s ordinary course of business.



RESOURCES

For more information on trade in services, visit

[WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/
SERVICES](http://WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/SERVICES)

Investment

Promoting job-creating investment and strengthening the rule of law across the Asia-Pacific.

WITH TRADE FOLLOWING INVESTMENT, we are working to ensure that American investors abroad are provided the same kind of opportunities in other markets that we provide at home to both Americans and foreigners alike doing business in the United States. That is why we are working to include in TPP many of the investment obligations that have historically proven to support jobs and economic growth, as well as new provisions to take on emerging investment issues.

OBJECTIVES

- Protect the right of governments to regulate in the public interest.
- Ensure that investment disputes are handled in a transparent and rules-based manner.
- Establish rules that provide for basic protection against discrimination. This includes:
 - National treatment (treatment no less favorable than a TPP country provides, in like circumstances, to its own investors or investments).
 - Most-favored-nation treatment (treatment no less favorable than a TPP country provides, in like circumstances, to another country's foreign investors or investments).
- Provide basic protections against uncompensated expropriation of property so that property may not be seized by government without the payment of just compensation, consistent with United States Supreme Court jurisprudence.
- Prevent denial of justice, by which Americans could be denied basic due process in criminal, civil, or administrative proceedings abroad.

- Allow for the transfer of funds related to an investment covered under the Agreement, with exceptions to ensure that governments retain the flexibility to manage volatile capital flows.
- Prohibit specified “performance requirements,” including local content requirements, export requirements, and technology transfer or technology localization requirements.
- Ensure that investors have the ability to appoint senior managers without regard to nationality, and that nationality-based restrictions on the appointment of board members does not impair an investor’s control over its investment.
- Put in place strong safeguards to raise the standards around investor-state dispute settlement, such as by:
 - Discouraging and dismissing frivolous suits.
 - Allowing governments to direct the outcome of arbitral tribunals and to issue interpretations that are binding on tribunals.
 - Making proceedings more transparent by:
 - Conducting hearings open to the public.
 - Making public notices of arbitration, pleadings, submissions, and awards.
 - Providing for the participation of civil society organizations and other outside parties through the submission of amicus curiae briefs by:
 - Labor unions.
 - Environmental groups.
 - Public health advocates.
 - Other stakeholders.



RESOURCES

For more information on investment, visit

[WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/
INVESTMENT](http://WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/INVESTMENT)

ISDS: Important Questions and Answers

[WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/
PRESS-OFFICE/BLOG/2015/MARCH/ISDS-IMPORTANT-
QUESTIONS-AND-ANSWERS-0](http://WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2015/MARCH/ISDS-IMPORTANT-QUESTIONS-AND-ANSWERS-0)

Investor State Dispute Settlement (ISDS) Questions and Answers

[WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-
OFFICE/BLOG/2015/FEBRUARY/CROSS-POST-INVESTOR-
STATE-DISPUTE-SETTLEMENT](http://WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2015/FEBRUARY/CROSS-POST-INVESTOR-STATE-DISPUTE-SETTLEMENT)

The Facts on Investor State Dispute Settlement

[WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-
OFFICE/BLOG/2014/MARCH/FACTS-INVESTOR-STATE
DISPUTE-SETTLEMENT-SAFEGUARDING-PUBLIC-INTEREST-
PROTECTING-INVESTORS](http://WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2014/MARCH/FACTS-INVESTOR-STATE-DISPUTE-SETTLEMENT-SAFEGUARDING-PUBLIC-INTEREST-PROTECTING-INVESTORS)

Labor

Protecting basic labor rights in the Asia-Pacific region and leveling the playing field for American workers.

ENSURING RESPECT FOR WORKER RIGHTS IS A CORE VALUE. That is why in TPP the United States is seeking to build on the strong labor provisions in the most recent U.S. trade agreements by seeking enforceable rules that protect the rights of freedom of association and collective bargaining; discourage trade in goods produced by forced labor, including forced child labor; and establish mechanisms to monitor and address labor concerns.

OBJECTIVES

- Secure broad commitments that would require all TPP countries to adopt and maintain in their laws and practices the fundamental labor rights as recognized by the ILO, including:
 - Freedom of association and the right to collective bargaining;
 - Elimination of forced labor;
 - Abolition of child labor and a prohibition on the worst forms of child labor; and
 - The elimination of employment discrimination.
- Secure additional commitments by TPP countries, to have laws governing minimum wages, acceptable hours of work, and occupational safety and health.
- Ensure that labor commitments are subject to the same dispute settlement mechanism, including potential trade sanctions, that applies to other chapters of the Agreement.
- Establish rules that will ensure that TPP countries do not waive or derogate from fundamental labor laws in a manner that affects trade or investment, and that they take initiatives to discourage trade in goods produced by forced labor, regardless of whether the source country is a TPP country.

- Protect against the degradation of either fundamental rights or working conditions in export processing zones.
- Establish a means for the public to raise concerns directly with TPP governments if they believe a TPP country is not meeting its labor commitments, and requirements that governments consider and respond to those concerns.
- Ensure transparency related to the implementation of the labor obligations.
- Provide access to fair, equitable and transparent administrative and judicial proceedings, as provided in U.S. law.
- Provide effective remedies for violations of TPP countries' labor laws.
- Establish a mechanism for cooperation and coordination on labor issues, including opportunities for stakeholder input in identifying areas of cooperation.



RESOURCES

For more information on trade and labor, visit

WWW.USTR.GOV/ISSUE-AREAS/LABOR

Making Trade Work for Workers

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2015/JANUARY/MAKING-TRADE-WORK-WORKERS

Environment

Protecting oceans, forests, and wildlife by putting in place strong commitments to preserve the marine environment, promote conservation, and combat wildlife trafficking.

ENVIRONMENTAL STEWARDSHIP IS A CORE VALUE and advancing environmental protection and conservation efforts across the Asia-Pacific region is a key priority for the United States in TPP. In addition to core environment obligations, we are seeking trailblazing, first-ever conservation proposals to address some of the region’s most urgent environmental challenges.

OBJECTIVES

- Protect and conserve flora and fauna, including through action by countries to combat illegal wildlife and timber trafficking.
- Promote sustainable fisheries management.
- Establish rules to prohibit some of the most harmful fisheries subsidies, such as those that contribute to overfishing.
- Promote long-term conservation of marine species, including sharks, sea turtles, seabirds and marine mammals.
- Combat illegal fishing, including by implementing port state measures and supporting increased monitoring and surveillance.
- Establish strong and enforceable environment obligations, subject to the same dispute settlement mechanism as other obligations in TPP.
- Secure commitments to effectively enforce domestic environmental laws, including laws that implement multilateral environmental Agreements, and commitments not to waive or derogate from the protections afforded in environmental laws for the purpose of encouraging trade or investment.
- Ensure transparency related to the implementation and enforcement of the environment commitments, including by requiring TPP countries to provide opportunities for public participation.

- Require TPP countries to ensure access to fair, equitable and transparent administrative and judicial proceedings for enforcing their environmental laws, and provide appropriate sanctions or remedies for violations of their environmental laws.
- Establish a framework for conducting, reviewing, and evaluating cooperative activities that support implementation of the environment commitments, and for public participation in these activities.
- Establish a senior-level Environment Committee, which will meet regularly to oversee implementation of environment commitments, with opportunities for public participation in the process.

In addition to the environment chapter’s commitments, in the TPP we are seeking to:

- Eliminate tariffs on environmental goods such as solar panels, wind turbines, water treatment systems, and air quality equipment.
- Facilitate trade in environmental goods and services.



RESOURCES

For more information on trade and the environment, visit

WWW.USTR.GOV/ISSUE-AREAS/ENVIRONMENT

Tackling Environmental Challenges Through Trade

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2015/MAY/TACKLING-ENVIRONMENTAL-CHALLENGES-THROUGH-TRADE

Standing Up for the Environment: Trade for a Greener World

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/REPORTS-AND-PUBLICATIONS/2015/STANDING-ENVIRONMENT-TRADE

E-Commerce and Telecommunications

Promoting a free and open Internet, breaking down barriers, and strengthening protections for consumers.

IN THE PAST FIVE YEARS, the number of Internet users worldwide has ballooned from 2 to 3 billion and will continue to grow. The increase in Internet use creates significant economic potential, particularly for small businesses. The Obama Administration is working through TPP to unlock the promise of e-commerce, keep the Internet free and open, promote competitive access for telecommunications suppliers, and set digital trade rules-of-the-road.

We expect that TPP will put in place the most comprehensive set of rules ever negotiated addressing digital trade and the promotion of Internet-based commerce. This is a central area of American leadership and one of the world's great opportunities for economic growth. TPP is designed to preserve the single, global, digital marketplace to ensure the free flow of global information and data that drive the digital economy. In doing so, we intend to promote trade and investment that enhances online speed, access, and quality.

OBJECTIVES

- Secure commitments not to impose customs duties on digital products (e.g., software, music, video, e-books).
- Ensure non-discriminatory treatment of digital products transmitted electronically and guarantee that these products will not face government-sanctioned discrimination based on the nationality or territory in which the product is produced.
- Establish requirements that support a single, global Internet, including ensuring cross-border data flows, consistent with governments' legitimate interest in regulating for purposes of privacy protection.
- Establish rules against localization requirements that force businesses to place computer infrastructure in each market in which they seek to operate, rather than allowing them to offer services from network centers that make business sense.

- Ensure close cooperation among TPP countries to help businesses, especially small- and medium-sized businesses, overcome obstacles and take advantage of electronic commerce.
- Secure commitments to provide reasonable network access for telecommunications suppliers through interconnection and access to physical facilities.
- Establish provisions promoting choice of technology and competitive alternatives to address the high cost of international mobile roaming.
- Promote public participation and transparency in the development of laws and regulations affecting the Internet, including with opportunities for public comment.
- Promote competitive supply of telecommunications services by addressing key bottlenecks.



RESOURCES

For more information on e-commerce and ICT, visit

**[WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/
TELECOM-E-COMMERCE](http://WWW.USTR.GOV/ISSUE-AREAS/SERVICES-INVESTMENT/TELECOM-E-COMMERCE)**

State-Owned Enterprises

Leveling the playing field for American workers through fair competition.

IN TPP, THE UNITED STATES IS PURSUING pioneering rules to ensure that private sector businesses and workers are able to compete on fair terms with State-owned enterprises (SOEs), especially when such SOEs receive government backing to engage in commercial activity. SOEs are increasingly competing with U.S. businesses and workers on a global scale, in many cases distorting global markets, blocking U.S. exports, and undercutting U.S. workers with cheap subsidies and preferential regulatory treatment. TPP is an opportunity to put in place ground-breaking provisions and to help drive a higher global standard of fairness.

OBJECTIVES

- Ensure that SOEs make commercial purchases and sales on the basis of commercial considerations.
- Ensure that we retain the ability to support SOEs engaged in providing domestic public services.
- Ensure that SOEs that receive subsidies do not harm U.S. businesses and workers.
- Ensure that SOEs do not discriminate against the enterprises, goods, and services of other Parties.
- Establish rules that will provide transparency with respect to SOEs.

Competition Policy

Benefitting American consumers through fair competition.

U.S. GOALS ON COMPETITION POLICY ARE grounded in long-standing principles of fair competition, consumer protection, and transparency. The United States is seeking rules to prohibit anticompetitive business conduct, as well as fraudulent and deceptive commercial activities that harm consumers.

- Ensure TPP countries adopt or maintain laws that prohibit fraudulent and deceptive commercial activities that cause harm or potential harm to consumers.
- Secure commitments to adopt or maintain national competition laws that proscribe anticompetitive business conduct and work to apply these laws to all commercial activities in their territories.
- Establish basic rules for procedural fairness on competition law enforcement.

Small and Medium-Sized Enterprises

Advancing the interests of America's largest employers: Small and medium-sized businesses.

SMALL- AND MEDIUM-SIZED ENTERPRISES (SMEs) are the backbone of the U.S. economy and are key contributors to economic growth in other TPP economies as well. The 28 million American SMEs account for nearly two-thirds of net new private sector jobs in recent decades. SMEs that export tend to grow even faster, create more jobs, and pay higher wages than similar businesses that do not trade internationally.

In 2014, 170,000 American small and medium-sized businesses exported nearly \$180 billion worth of goods to TPP countries. Yet while 98 percent of U.S. exporters are small businesses, fewer than 5 percent of all U.S. businesses export goods. That means there is huge untapped potential for small businesses to increase revenues and support jobs by selling U.S. goods and services to the 95 percent of the world's consumers who live outside our borders.

Our goal is to use TPP to provide SMEs the tools they need to compete across the Asia-Pacific region. TPP will benefit SMEs by eliminating tariff and non-tariff barriers, streamlining customs procedures, strengthening intellectual property protection, promoting e-commerce, and developing more efficient and transparent regulatory regimes.

TPP will include a first-ever chapter focusing on issues that create particular challenges for SMEs.

OBJECTIVES

- Eliminate high tariffs across the TPP region that price out many goods and agricultural products sold by U.S. small businesses.
- Streamline complex technical and administrative barriers that make it hard for small businesses to access new markets.
- Promote digital trade and Internet freedom to ensure that small businesses can access the global marketplace.

- Help small businesses integrate into global supply chains.
- Secure commitments by TPP countries to provide access to information on utilizing FTAs – a problem that SMEs have identified as a disproportionate challenge for them.
- Establish a Small- and Medium-Sized Enterprises Committee that would meet regularly to review how well SMEs appear to be availing themselves of the benefits of TPP, and also consider recommendations on ways to further enhance the benefits of TPP for SMEs.



RESOURCES

For more information on small- and medium-sized businesses, visit

WWW.USTR.GOV/ISSUE-AREAS/SMALL-BUSINESS

United States of Trade: 50 Stories in 50 States that Show the Impact of Trade Across the U.S.

WWW.USTR.GOV/UNITEDSTATESOFTRADE

Intellectual Property Rights

Supporting American jobs by promoting America's innovation advantage.

AS THE WORLD'S MOST INNOVATIVE ECONOMY, strong and effective protection and enforcement of IP rights is critical to U.S. economic growth and American jobs. Nearly 40 million American jobs are directly or indirectly attributable to "IP-intensive" industries. These jobs pay higher wages to their workers, and these industries drive approximately 60 percent of U.S. merchandise exports and a large share of services exports.

In TPP, we are working to advance strong and balanced rules that will protect and promote U.S. exports of IP-intensive products and services throughout the Asia-Pacific region for the benefit of producers and consumers of those goods and services in all TPP countries. The provisions that the United States is seeking – guided by the careful balance achieved in existing U.S. law – will promote an open, innovative, and technologically-advanced Asia-Pacific region, accelerating invention and creation of new products and industries across TPP countries, while at the same time ensuring outcomes that enable all TPP countries to draw on the full benefits of scientific, technological, and medical innovation, and take part in development and enjoyment of new media and the arts.

OBJECTIVES

- Establish standards that build on the foundations established in existing international intellectual property agreements including the:
 - WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
 - World Intellectual Property Organization (WIPO) Copyright Treaty.
 - WIPO Performances and Phonograms Treaty.
 - Patent Cooperation Treaty.
- Establish strong protections for patents, trademarks, and copyrights.

- Establish strong measures to prevent theft of trade secrets, including cyber theft of trade secrets.
- Establish rules that promote transparency and due process with respect to trademarks and geographical indications.
- Secure fair, equitable, and non-discriminatory market access opportunities for U.S. individuals and businesses that rely on intellectual property.
- Secure strong and fair enforcement rules to protect against trademark counterfeiting and copyright piracy, including rules allowing increased penalties in cases where counterfeit or pirated goods threaten consumer health or safety.
- Close loopholes that let dangerous counterfeits come across borders and get into the supply chain, for example when counterfeiters ship products and labels separately.
- Secure commitments that obligate countries to seek to achieve balance in their copyright systems by means of, among other approaches, limitations or exceptions that allow for the use of copyrighted works for purposes such as:
 - Criticism.
 - Comment.
 - News reporting.
 - Teaching.
 - Research.
- Establish Internet service provider (ISP) copyright safe harbors that, along with strong and balanced provisions regarding technological protection measures, foster new business models and advance legitimate digital trade.
- Secure pharmaceutical IP provisions that:
 - Promote innovation and the development of new, lifesaving medicines.
 - Create opportunities for robust generic drug competition.

- Promote affordable access to medicines, taking into account levels of development among the TPP countries and their existing laws and international commitments.
- Confirm that intellectual property commitments are aligned with the Doha Declaration on TRIPS and Public Health, affirming the rights of countries to take measures to promote public health.
- Make it easier for businesses to search, register, and protect their trademarks and patents in new markets, which is particularly important for small businesses.
- Clarify that enforcement remedies are available with respect to state owned enterprises, consistent with international disciplines.



RESOURCES

For more information on intellectual property rights, visit

WWW.USTR.GOV/ISSUE-AREAS/INTELLECTUAL-PROPERTY

Intellectual Property Helps Drive Innovation

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2015/JULY/INTELLECTUAL-PROPERTY-HELPS-DRIVE-INNOVATION

Technical Barriers to Trade

Breaking down barriers to Made in America products and promoting government transparency.

NON-TARIFF TRADE BARRIERS are among the biggest challenges facing exporters across the Asia-Pacific region. To ensure that Made in America products are treated fairly, it is important that standards-setting, conformity assessment procedures, and technical regulations are developed in a fair and transparent manner, with opportunities for “bottom-up” participation by a diverse range of stakeholders.

TPP provides an opportunity to eliminate unwarranted technical barriers to trade (TBT). Seizing this opportunity would make it easier for the United States to export into Asia-Pacific supply chains and to lead in innovation, while protecting the sovereign right of governments to engage in the full range of public interest regulation, including to protect public health and the environment.

OBJECTIVES

- Affirm and build upon WTO commitments on TBT.
- Secure commitments to enhance transparency, reduce unnecessary testing and certification costs, and promote greater openness in standards development.
- Encourage TPP governments to increase public participation in the development of technical regulations, standards, and conformity assessment procedures by government bodies.
- Require TPP countries to increase the transparency of government decision making including by:
 - Publishing new technical regulations and conformity assessment procedures.
 - Offering opportunities for public comment.
 - Providing responses to substantive issues raised by comments.

- Secure commitments aimed at enhancing cooperation in key sectors such as wine and distilled spirits, medical devices, cosmetics, pharmaceuticals, and information & communication technology.



RESOURCES

For more information on technical barriers to trade, visit

WWW.USTR.GOV/TRADE-AGREEMENTS/WTO-MULTILATERAL-AFFAIRS/WTO-ISSUES/TECHNICAL-BARRIERS-TRADE

Sanitary and Phytosanitary Measures

Eliminating unscientific discrimination against Made in America goods and ensuring that food safety standards are strong.

TPP PROVIDES AN IMPORTANT OPPORTUNITY to launch a race to the top, encouraging other countries to move toward our higher standards. This includes better standards for food safety. TPP will build on the WTO Agreement on Sanitary and Phytosanitary Measures (SPS), which makes clear that every country has the right to determine for itself the level of protection it believes to be appropriate to protect food safety, and plant and animal health.

Our goal is to ensure that SPS measures will be developed and implemented in a transparent and non-discriminatory manner, based on science. TPP will also help expand our agricultural exports by addressing unscientific, discriminatory, and otherwise unwarranted barriers that are often designed to keep American goods out of the market. TPP will require no changes to existing U.S. food safety laws or regulations.

OBJECTIVES

- Affirm and build upon WTO commitments on SPS, making clear that countries determine for themselves the level of protection they believe to be appropriate to protect food safety, and plant and animal health.
- Establish a mechanism for TPP countries to expeditiously resolve unwarranted barriers that block the export of U.S. food and agricultural products.
- Establish new and enforceable rules to ensure that science-based SPS measures are developed and implemented in a transparent, predictable, and non-discriminatory manner.
- Improve communication, consultation, and cooperation between governments to share information and work together on food safety issues in a transparent manner.
- Allow TPP countries to take emergency measures when necessary.

- Establish an on-going mechanism for improved dialogue and cooperation on addressing SPS and TBT issues.
- Include tough customs provisions and provisions on rules of origin to help combat illegal transshipments from third countries, including those of seafood.



RESOURCES

For more information on SPS, visit

**[WWW.USTR.GOV/ISSUE-AREAS/AGRICULTURE/
SANITARY-AND-PHYTOSANITARY-MEASURES-AND-
TECHNICAL-BARRIERS-TRADE](http://WWW.USTR.GOV/ISSUE-AREAS/AGRICULTURE/SANITARY-AND-PHYTOSANITARY-MEASURES-AND-TECHNICAL-BARRIERS-TRADE)**

Transparency and Anticorruption

Promoting good governance through transparency, accessibility, and accountability.

THROUGH TPP, WE HAVE AN OPPORTUNITY to enhance transparency in policy-making processes, combat corruption, and improve regulatory cooperation. These “good governance” reforms also play an important role in ensuring fairness for American firms and workers. We believe TPP should include the strongest anti-corruption and transparency standards of any trade Agreement in history. Addressing these issues is vital to promoting development, as well as American values, such as rule of law and respect for human rights.

OBJECTIVES

- Secure commitments to promote greater transparency, participation, and accountability in the development of regulations and other government decisions, including by:
 - Promptly publishing laws
 - Regulations.
 - Administrative rulings of general application, and other procedures that affect trade and investment.
 - Providing opportunities for stakeholder comment on measures before they are adopted and finalized.
- Secure commitments discouraging corruption including through:
 - Enforcement of domestic anticorruption laws and regulations.
 - International anticorruption efforts.
- Establish codes of conduct to promote high ethical standards among public officials.

- Establish, for the first time in a U.S. trade Agreement, a chapter on regulatory coherence, including provisions on widely-accepted good regulatory practices, already standard in the United States, such as impact assessments, public transparency and communications around regulations, and public notice of government measures.

Customs, Trade Facilitation, and Rules of Origin

Cutting red tape to increase exports of Made in America products and to ensure that American goods become part of global supply chains.

CUTTING THE RED TAPE OF TRADE, including by reducing costs and increasing customs efficiencies, will make it cheaper, easier, and faster for businesses to get their products to market. In TPP, we are looking to facilitate trade across the TPP region; support the deep integration of U.S. logistics, manufacturing, and other industries in regional supply chains; and reduce costs for U.S. business by removing onerous and opaque customs barriers. This is particularly valuable for small- and medium-sized enterprises that find it difficult to navigate complex customs procedures.

OBJECTIVES

- Increase transparency by ensuring that all customs laws, regulations, and procedures are published on the Internet as well as designate points of contact for traders to get questions answered.
- Ensure that, to the greatest extent possible, shipments are kept in ports no longer than necessary to comply with customs laws.
- Provide expedited customs treatment to express delivery shipments.
- Strengthen cooperation against illegal trade in counterfeit goods, wildlife trafficking, and goods illegally transshipped through TPP countries from third countries to evade tariffs.
- Ensure that customs penalties are administered in an impartial and transparent manner, and that countries avoid conflicts of interest in administering penalties.

TPP's rules of origin provisions are designed to ensure that only goods that originate in the TPP region receive preferential treatment under the Agreement—this approach supports production and jobs in the United States and helps link U.S. firms into regional supply chains, reducing the incentive for companies to move production abroad in order to remain competitive.

- Establish strong and common rules of origin to ensure that the benefits of TPP go to the United States and other TPP countries.
- Ensure that goods only receive the benefits of the Agreement only if they are wholly obtained or produced within the TPP region; produced in a TPP country exclusively from other TPP originating materials; or produced in a TPP country from materials that meet the product-specific rules.
- Put in place a common TPP-wide system for traders to show that their goods are made in the TPP region and for customs to verify that traders are following the rules of origin.
- Strengthen incentives to integrate production and supply chains within the TPP region to make it more attractive to do business with producers in the United States.
- Provide specific instructions for rules based on regional value content or de minimis thresholds.



RESOURCES

For more information on rules of origin, visit

[WWW.USTR.GOV/TRADE-AGREEMENTS/WTO-
MULTILATERAL-AFFAIRS/WTO-ISSUES/CUSTOMS-ISSUES/
RULES-ORIGIN](http://WWW.USTR.GOV/TRADE-AGREEMENTS/WTO-MULTILATERAL-AFFAIRS/WTO-ISSUES/CUSTOMS-ISSUES/RULES-ORIGIN)

Government Procurement

Promoting fair and transparent government procurement while maintaining key preference programs.

NOTHING IN TPP WILL PREVENT the United States government from buying American goods and services—but TPP will unlock significant opportunities for U.S. businesses and workers to increase their access to government procurement markets in TPP countries. TPP countries are fast-growing markets in which governments are expanding their buying and building as they grow more prosperous. TPP is an opportunity to sell more American-made machinery, medical technologies, transportation and infrastructure equipment, information technology, communications equipment, and other goods and services.

OBJECTIVES

- Increase opportunities for U.S. firms to sell Made in America products around the world.
- Establish fair, transparent, predictable, and non-discriminatory rules to govern government procurement in TPP countries, including rules mirroring existing U.S. government procurement practices such as:
 - Publishing information on government procurement opportunities in a timely manner.
 - Ensuring sufficient time for suppliers to obtain tender documentation and submit bids.
 - Ensuring that procurement will be handled under fair procedures.
 - Ensuring that contracts will be awarded based solely on the evaluation criteria specified in the notices and tender documentation.
 - Providing impartial administrative or judicial review authority to review challenges or complaints.
- Exclude coverage of state and local governments from the commitments being negotiated.

- Keep in place domestic preferential purchasing programs such as:
 - Preference programs for small businesses, women and minority owned businesses, service-disabled veterans, and distressed areas.
 - “Buy America” requirements on Federal assistance to state and local projects
 - Transportation services, food assistance, and farm support.
 - Key Department of Defense procurement.
- Maintain broad exceptions for special government procurement regarding:
 - National security.
 - Measures necessary to protect public morals, order, or safety.
 - Protecting human, animal, or plant life or health.
 - Protecting intellectual property.
- Allow for labor, environmental, and other criteria to be included in contracting requirements.



RESOURCES

For more information on government procurement, visit

WWW.USTR.GOV/ISSUE-AREAS/GOVERNMENT-PROCUREMENT

The Facts about Government Procurement and TPP

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/BLOG/2014/JULY/FACTS-ABOUT-GOVERNMENT-PROCUREMENT-AND-TPP-TPP-PROMOTES-BUYING

Development and Trade Capacity-Building

Promoting sustainable development and broad-based economic growth.

THE UNITED STATES VIEWS TRADE as an important tool for improving access to economic opportunity for women and low income individuals; incentivizing private-public partnerships in development activities; and designing sustainable models for economic growth. In addition, the United States sees trade capacity-building as critical to assisting TPP developing countries such as Vietnam, Peru, Brunei, and others, in implementing the Agreement and ensuring they can benefit from it.

TPP will include a chapter on cooperation and capacity building and, for the first time in any U.S. trade Agreement, a chapter dedicated specifically to development.

OBJECTIVES

- Remove tariff and non-tariff barriers that limit trade and impede growth and development.
- Establish the strongest standards for protecting workers and the environment ever included in a trade Agreement.
- Enhance food security by eliminating barriers to agricultural goods.
- Promote transparency, participation, and accountability in government decision-making and fight corruption.
- Secure Agreement on cooperative development activities TPP countries could conduct in areas to:
 - Promote broad-based economic growth and sustainable development through policies that take advantage of trade and investment opportunities created by the TPP Agreement.
 - Enhance opportunities for women to participate in the domestic and global economy.

- Promote policies related to education, science and technology, research and innovation.
- Establish mechanisms for collaboration and facilitation of capacity-building activities by both TPP government and non-government representatives, as well as the private sector, in order to help TPP workers and businesses, including SMEs and micro- enterprises participate in global trade and take advantage of the Agreement.



RESOURCES

For more information on trade and development, visit

WWW.USTR.GOV/ISSUE-AREAS/TRADE-DEVELOPMENT

Dispute Settlement

Creating fair and effective means to resolve disputes.

WHEN THE UNITED STATES NEGOTIATES a trade Agreement, we expect our trading partners to abide by the rules and obligations to which they agree. Under the TPP, countries have recourse to an independent tribunal to determine whether a Party has failed to meet its obligations, and ultimately to allow suspension of benefits if a Party fails to come into compliance. The goal is for effective, timely, and transparent dispute settlement, based on facts and the rules of the Agreement. Through the TPP dispute settlement mechanism, the United States has the means to enforce the strong, high-standard obligations we are negotiating in this Agreement.

OBJECTIVES

- Establish a fair dispute settlement mechanism for resolving disputes.
- Establish a transparent dispute settlement mechanism to allow the public to follow proceedings by:
 - Ensuring that submissions are made publicly available.
 - Requiring hearings to be open to the public, and final decisions by panels to be made publicly available.
 - Ensuring that non-governmental entities have the right to request making written submissions to panels during disputes.
- Put in place procedures to allow countries to settle disputes on matters arising under the TPP in a timely and effective manner.



RESOURCES

For more information on dispute settlement, visit

WWW.USTR.GOV/TRADE-AGREEMENTS/WTO-MULTILATERAL-AFFAIRS/WTO-ISSUES/DISPUTE-SETTLEMENT

U.S.-Japan Bilateral Negotiations on Motor Vehicle Trade

Promoting the interests of the American auto industry and American auto workers.

WITH THE PARTICIPATION OF JAPAN, TPP countries account for nearly 40 percent of global GDP and about one-third of all world trade. Japan is currently the fourth-largest goods trading partners of the United States. The United States exported \$67 billion in goods and an estimated \$47 billion in services to Japan in 2014.

Nevertheless, U.S. exporters have faced a broad range of formidable non-tariff measures in Japan's automotive and other markets. As a result, prior to Japan joining the TPP negotiations, the United States reached a series of agreements with Japan to address a range of issues in conjunction with Japan's participation in TPP. This includes an agreement that U.S. tariffs on motor vehicles will be phased out in accordance with the longest staging period in the TPP negotiations and will be back-loaded to the maximum extent.

The United States and Japan also agreed to address non-tariff measures through parallel negotiations to TPP, which were launched in August 2013.

OBJECTIVES

- Secure enforceable commitments related to the automotive sector that will address a broad range of non-tariff measures – including those related to:
 - Regulatory transparency
 - Standards
 - Certification
 - Financial incentives
 - Distribution

- Establish an accelerated dispute settlement procedure that would apply to the automotive sector that includes a mechanism to “snap back” tariffs as a remedy.
- Agree on a special safeguard mechanism for the automotive sector to address possible import surges.
- Establish a rapid consultation mechanism to head off new non-tariff measures that may emerge.
- Secure meaningful outcomes that address cross-cutting and sectoral non-tariff measures, including in the areas of insurance, transparency, investment, intellectual property rights, standards, government procurement, competition policy, express delivery, and SPS measures.



RESOURCES

Toward the Trans-Pacific Partnership: U.S. Consultations with Japan

WWW.USTR.GOV/ABOUT-US/POLICY-OFFICES/PRESS-OFFICE/FACT-SHEETS/2013/APRIL/US-CONSULTATIONS-JAPAN



Office of the United States Trade Representative

600 17th Street, Northwest, Washington, D.C. 20508

(202) 395-6121

www.ustr.gov

