

Congress of the United States
House of Representatives
Washington, DC 20515

July 29, 2015

President Barack Obama
The White House
1600 Pennsylvania Ave, NW
Washington, DC

Dear President Obama,

Congress passed trade authority for the Trans-Pacific Partnership (TPP) premised on Congress' understanding that the executive branch would meet the negotiating objectives laid out in the law. In addition to your negotiators meeting these congressional requirements in any final TPP text, we also expect that our prospective TPP trade partners will comply thoroughly with all of the Agreement's terms.

To this end, it is critically important that our prospective TPP partners understand that a final pact would go into effect if and only if you certify that the other TPP countries have altered their domestic laws and policies to satisfy U.S. expectations of those trade partners' compliance with all TPP terms and requirements. We understand that U.S. Trade Representative Froman has informed the other TPP countries about this certification requirement.

Given that some of the TPP parties are new free trade agreement partners for the U.S., we believe it is imperative that all of the TPP nations understand that the U.S. implementing legislation for the TPP will include the standard requirement that formal written notification to the other TPP countries of U.S. completion of its legal requirements to implement the TPP be *withheld* until and unless our trade partners are in compliance with all of the TPP's terms.

Thus, even if Congress were to pass implementing legislation for the TPP, it would not go into effect unless and until the other nations conform their laws, policies and practices to the U.S. understanding of the TPP requirements. In the past, this requirement caused a years-long delay between the time the Central America Free Trade Agreement (CAFTA) was approved by the national legislatures of all the parties and the time that it actually entered into force with respect to all parties. Therefore, it is important for our TPP partners to be well apprised of this requirement in advance.

To ensure that this certification process meets Congress' expectations and creates a level playing field for U.S. businesses and workers, we want to highlight in advance some of the TPP terms with which we expect our prospective TPP partners to alter their policies, practices and laws in

order to be in compliance. To the extent that the TPP includes commitments or sets of standards for the following issues, these expectations must be included in your certification process:

- **Currency Manipulation:** Large bipartisan majorities in the House and Senate have urged the Administration to include strong and enforceable currency obligations in the text of the TPP. A number of TPP partners have been identified as “egregious” currency manipulators, including Japan, which is the second largest economy in the agreement. We therefore urge that you certify that none of our trading partners are engaged in currency manipulation consistent with existing International Monetary Fund (IMF) guidelines-before the TPP enters into force.
- **Human Rights:** Several TPP partners, especially Mexico, Vietnam, Malaysia, and Brunei, have appallingly poor human rights records, including restrictions to free speech and religion, arbitrary killings and detentions, human trafficking, discrimination of various kinds, and forced labor. Given the trade authority’s new trade negotiating objectives with respect to human rights, we expect to see clear, enforceable commitments to protect human rights in the TPP text. Each TPP party should come into full compliance with internationally recognized human rights standards, including those set out in the Universal Declaration of Human Rights.
- **Transparency and Anti-Corruption:** The trade authority bill included expanded objectives regarding transparency and anti-corruption as principal negotiating objectives, and USTR has emphasized its work in this area. It is critical that the Administration certify that partner nations are in full compliance with the principal negotiating objectives on transparency and anti-corruption. Certainly, without improvements in transparency and anti-corruption, trade deals will not serve as a tool to uplift our trading partners, nor will American investors and exporters be able to compete fairly on a level playing field. We urge that your certification criteria include no scores below 50 (ranging from 0 to 100) on Transparency International’s most recent Corruption Perceptions Index, and no scores below 0 (ranging from -2.5 to 2.5) on Transparency International’s most recent Control of Corruption Index, which is based upon World Bank’s worldwide governance indicators.
- **Labor:** While countries may be endowed with differing natural resources or may have attained different levels of development, abusive labor practices, including forced labor and the worst forms of child labor are not a “natural endowment.” In fact, the ability of producers in other countries to violate labor laws with impunity while U.S.-based businesses face much stricter standards in terms of health and safety, wages, and anti-discrimination laws creates a tilted playing field that advantages businesses that violate labor standards with impunity. Domestic small businesses that must comply with our labor laws and cannot export their jobs overseas are particularly disadvantaged. With respect to labor under fast track trade authority, the principal negotiating objective seeks to ensure that the laws of partner nations do not waive or otherwise derogate from internationally recognized core labor standards. To create a level playing field, it is imperative that TPP partners’ labor laws comply with core labor standards identified by the International Labor Organization *before* the TPP enters into force. If TPP partners are

not held to this standard before granting them the benefits of the Agreement, the TPP will only repeat NAFTA, in which we saw manufacturing run to Mexico to take advantage of wage-lowering abusive labor practices.

- **Environment:** As with labor, the TPP should create a level playing field, eliminating the advantage trading partners create by permitting destructive environmental practices. With respect to environmental laws under fast track trade authority, the principal negotiating objective seeks to ensure that the laws of partner nations are not weakened or reduced. Further, the May 10, 2007 standard, which you have stated that the TPP will meet or exceed, requires countries to “adopt, maintain, and implement laws, regulations, and all other measures to fulfill its obligations” under seven specific multilateral environmental agreements. We are counting on you to ensure that each TPP partner has adopted and implemented laws, regulations and other measures to fulfill these obligations—in particular obligations regarding illegal timber harvesting, disciplines on fisheries subsidies, illegal fishing methods such as dynamite fishing, and the protection of marine mammals. Anything less puts U.S. producers and their employees at a disadvantage.
- **Telecommunications:** Ready access to telecommunications infrastructure and technology supports openness instead of isolation and frequently has the effect of facilitating person-to-person contact. In our modern interconnected world, telecommunications are essential to developing and maintaining robust democratic institutions as well as foreign market access for American products. We therefore expect that telecommunications markets in TPP countries will be open and comply with all obligations of the Telecommunications chapter before entry into force.

The Administration must certify that our partner nations first meet these expectations in order to ensure broad, bipartisan support for the agreement. We look forward to remaining in close consultation with the Administration to ensure that any trade deal creates a truly level playing field that will allow our workers and our businesses to compete in the global economy.

Sincerely,



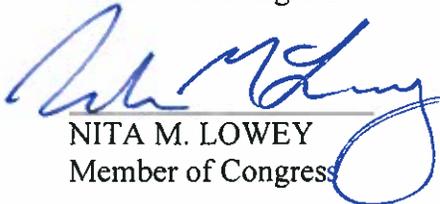
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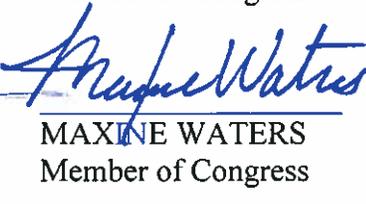
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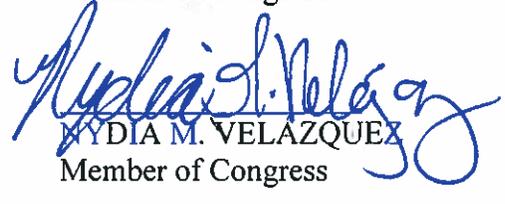
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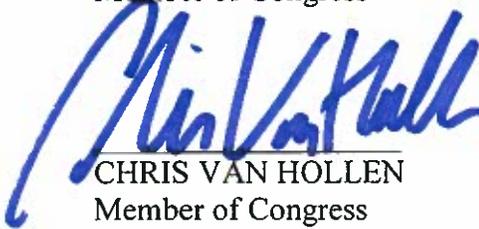

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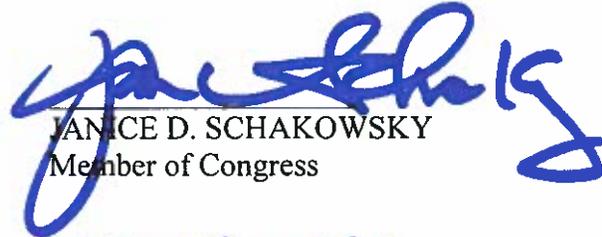

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