RESOLUTION 16-02
OPPOSING THE TRANS-PACIFIC PARTNERSHIP (TPP) AGREEMENT

WHEREAS, the Trans-Pacific Partnership (TPP) agreement was signed by the United States and 11 other Pacific Rim nations on February 4, 2016 and is positioned to become one of the world's largest multinational trade deals, attaching to 40 percent of the world's economy[1]; and

WHEREAS, the stated intent of the TPP is to "promote economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in our countries; and promote transparency, good governance, and enhanced labor and environmental protections;"[2] and

WHEREAS, while the agreement portends to promote transparency, the agreement has been negotiated in secret for the last seven years; and

WHEREAS, during negotiations, more than 600 official corporate "trade advisors" (including Halliburton, Chevron, PHRMA, Comcast, and the Motion Picture Association of America) were granted access to the draft text and were invited to provide input on its content, while those representing labor, the environment, and human rights offered testimony from the outside, with little influence; and

WHEREAS, the 6,000-page agreement was made public on November 5, 2015; and

WHEREAS, on the same day the document was made public, President Obama notified Congress that he intends to sign the agreement; and

WHEREAS, the agreement will not go into effect until the measure is ratified; and

WHEREAS, the measure has been granted "fast track" authority, restricting Congress to an up-or-down vote, with no amendments; and

WHEREAS, according to a recent working paper issued by the Global Development and Environment Institute at Tufts University, entitled *Trading Down*, in the U.S., the TPP would <u>reduce income</u> by 0.5 percent, <u>reduce employment</u> by almost half a million jobs, and <u>increase income inequality</u>;[3] and

WHEREAS, according to the Tufts report, income flowing to large business owners and shareholders would increase, while income flowing to workers would shrink; and

WHEREAS, a relatively small portion of the TPP is actually about trade – only six of the 30 chapters deal with traditional trade matters – the rest of the agreement sets rules regulating matters such as energy, financial regulation, food safety, procurement policy, patents, and copyright policy, many of which are of direct local concern to our community; and

WHEREAS, the fallout of trade policies drafted by corporate interests is not a disembodied concept whose effects are just felt somewhere else; the effects are felt right here, in our State and in our local community;

<u>In Indiana</u>, more than 93,000 jobs have been lost due to offshoring or imports since the North American Free Trade Agreement (NAFTA) came into force in 1994; indeed, *just last month*, two Indiana plants, Carrier and United

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[1] Signatories include: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam

[2] "Summary of the Trans-Pacific Partnership Agreement," Office of the United States Trade Representative. Press Release, October 2015, https://ustr.gov/about-us/policy-offices/press-office/press-releases/2015/october/summary-trans-pacific-partnership, accessed February 20, 2016.

[3] Capaldo, J. and A. Izurieta. 2016. "Trading Down: Unemployment, Inequality, and Other Risks of the Transpacific Partnership Agreement." Working Paper No. 16-01, Global Development and Environment Institute, Medford, MA.

Technologies Electronic Controls, announced that they are moving operations to Mexico and taking 2,100 Hoosier jobs with them;

In Bloomington, almost 5,000 jobs have been lost since 1994 due to the offshoring of production.[4] Good-paying jobs for Bloomington citizens at General Electric, Thompson, and Otis Elevator have been exported to countries where the labor is cheap, workdays often excessively long, and working conditions often unsafe; and

WHEREAS, the articulated statement of purpose of the agreement notwithstanding, a major purpose and effect of the TPP is to provide extreme investor protections, similar to those of NAFTA. These protections provide special benefits to firms that relocate to low-wage countries. Our experience under NAFTA anticipates the job loss incentivized by the TPP; and

WHEREAS, noted political economist and former US Secretary of Labor, Robert Reich, characterizes the TPP as "NAFTA on steroids;" and

WHEREAS, it's not just the offshoring of jobs that could hurt our community. Other provisions of the agreement directly impinge on the welfare of Bloomington residents: These provisions:

Threaten access to affordable medicine. The TPP gives multinational pharmaceutical companies new rights to increase the price of medication and new monopoly patent rights to keep cheaper generic drugs off the market for a longer period of time. These new rights will negatively affect all Bloomington residents, but would be especially detrimental to our community's most vulnerable residents, such as the poor and the elderly.

Threaten our ability to protect our community. The TPP includes "Investor-State Dispute Settlement" (ISDS) clauses which would empower corporations to challenge national, State, and local laws in private, non-transparent trade tribunals for cash compensation over almost any regulation that corporations allege have the *potential* to reduce their profits. Under this provision, corporations could sue government over laws and policies designed to address issues such as climate change mitigation, reduced fossil fuel consumption, air quality improvement, and land use. Significantly, arbitrators are hired only to hear the case at issue. If arbitrators order governments to pay cash to an investor, the investor can enforce arbitrators' decisions with the full force of domestic courts.

Using similar rules in other free trade agreements, corporations have launched more than 500 cases against 95 governments. In January 2016, TransCanada filed suit against the United States under the ISDS provision of NAFTA for failure to approve the Keystone XL pipeline. TransCanada is suing the U.S. for $15 billion, a bill to be paid by U.S. taxpayers. According to Nobel-winning economist Joseph Stiglitz and legal scholar Laurence Tribe, if ISDS forces countries to pay high enough fines, countries will be chilled into voluntarily abandoning health, safety, labor, and environmental laws that big corporations view as impediments to the maximization of their profit-making.[5]

[4] Indiana and Bloomington job loss figures from Department of Labor, Trade Adjustment Assistance program.
[5] Resnick, "Open Letter." Resnick, Renoso, Sarokin, Stiglitz, and Tribe to Majority Leader McConnell, Minority Leader Reid, Speaker Boehner, and Minority Leader Pelosi. April 30, 2015.

Expose Bloomington residents to unsafe food and products and potentially raise health care costs. Under the TPP, food safety rules could be challenged by foreign corporations as "illegal trade barriers" if found to be more stringent than standards in the TPP, thus threatening the health of Bloomington residents and potentially raising health care costs. Indeed, the World Trade Organization's recent ruling against the U.S.'s policy requiring the labeling of meat sold in the U.S. to inform consumers of the country from which the meat was derived, highlights how trade agreements can undermine domestic public interest policies.

Threaten free speech. The TPP makes substantive changes to copyright law, including the impairment of the Fair Use Doctrine. The intellectual property changes proposed by the TPP are wide-sweeping and affect consumers, creators, and technology companies. Notably, many of the TPP's intellectual property provisions mirror the proposals found in the Stop Online Piracy Act – a measure that has *not* been successful in Congress. This effectively creates an end-around our democratic processes.

Expunge "Buy American" and "Buy Local" policies.
The TPP's procurement chapter requires that all firms operating in any signatory country be provided access equal to that of domestic firms to U.S. government procurement contracts over a certain dollar threshold. To implement this requirement, the U.S. would agree to waive "Buy American" procurement policies for firms operating in the TPP countries. This impairs our ability strengthen our own local economies and create local jobs through "Buy American" and "Buy Local" policies.

Accelerate Global Warming
The offshoring of manufacturing increases air and sea transport around the Pacific Rim, thereby increasing greenhouse gas emissions.

WHEREAS, the TPP is an open "docking agreement" -- eventually, every country in the region (including China) may be included, thereby significantly magnifying the economic, social, and environmental harms of the agreement; and

WHEREAS, over 1,500 labor, health, and environmental organizations have expressed their opposition to the TPP, including: the AFL-CIO, the Sierra Club, Greenpeace, the Natural Resources Defense Council, Doctors Without Borders, Physicians for Social Responsibility, and Defenders of Wildlife; and

WHEREAS, U.S. trade policy *can* be a tool for creating fair-wage jobs, protecting the environment, protecting consumers, and improving quality of life but the TPP does just the opposite; and

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. We oppose the TPP because it will diminish the City's ability to act in the best interests of our residents, our workforce, our local businesses, and to protect our shared environment.

SECTION II. The City of Bloomington supports fair international trade agreements, agreements that respect labor rights, are protective of the environment, do not diminish the ability of local, State, and federal governments to protect their citizens, do not further exacerbate economic inequality, and that improve the quality of life for the citizens of all participating and, by extension, the entire globe.

SECTION III. We call upon other local communities to express their opposition to the TPP.

SECTION IV. We direct the City Clerk to send a copy of this resolution, duly adopted, to our Congressional delegation, to the President of the United States, and to the United State Trade Representative, Michael Froman.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 2 day of March, 2016.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 3rd day of March, 2016.

NICOLE BOLDEN Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 3rd day of March, 2016.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This resolution is sponsored by Councilmembers Rollo and Ruff and opposes the Trans-Pacific Trade Partnership (TPP) multinational trade agreement. Documenting the lack of transparency, the offshoring of jobs, and the environmental, labor, health, and human rights harms of the TPP, the resolution calls upon the Congress to reject the TPP. The measure further resolves that the City of Bloomington supports fair international trade agreements, agreements that promote equality, protect labor, protect the environment, protect human health, and protect human rights. The resolution directs the City Clerk to send the legislation to the President of the United States, the Indiana Congressional delegation, and the United States Trade Representative.

Note: This resolution was revised slightly after it was issued in the legislative packet to clarify language in the 15th "Whereas" clause.