

## **TPP** Ministerial Cancelled, Chief Negotiators to Focus on Advancing Technical Work

Chief Negotiators from the 12 TPP countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, the U.S. and Vietnam) have been meeting in Guam since May 14<sup>th</sup> to advance the technical work ahead of a potential two-day ministerial gathering on May 26-28. The chapters tackled in Guam are market access for goods, rules of origin (ROO), textiles, legal and institutional issues, intellectual property (IP), investment, financial services, and stateowned enterprises (SOEs).

The passage of the trade promotion authority (TPA) bill was critical for the TPP ministerial meeting to take place, as a clear majority of TPP Members continue to consider the authority as essential to concluding the TPP agreement. With the U.S. Senate only managing to approve the bill on May 22<sup>nd</sup> negotiators in Guam agreed to cancel the ministerial meeting and instead extend their discussion on difficult issues such as intellectual property rules.

## **TPA passes Senate's hurdle**

The whole week of May 18<sup>th</sup> has been devoted to debate on the Senate TPA bill. A number of amendments have been tabled which U.S. lawmakers were expected to address all week, until Senator Mitchell McConnell (R-Ky) moved to cut off debate (the so-called cloture) needing 60 votes to pass the bill. One informed source said some Democrats tried to drag the process out through amendments in an effort to forestall a final vote on the bill until after the Memorial Day recess (May 25<sup>th</sup>) in order to make the passage of TPA harder through the House. However, with cloture invoked, Senator McConnell scheduled a vote late on May 22<sup>nd</sup> which saw TPA passing the Senate's hurdle with a final tally of 62 to 37.

U.S. Trade Representative, Michael Froman, described the Senate passage of TPA as "a powerful statement to the rest of the world that the United States speaks with one voice on the importance of trade."

"Trade Promotion Authority is a critical tool for advancing trade agreements that support jobs, protect workers, and promote core American values," the USTR said, adding that this legislation "will update Congress's marching orders to the Administration on trade policy and put in place unprecedented new requirements for transparency and congressional consultation."

The TPA debate will now move to the House which will start debating it after U.S. Congress's Memorial Day recess the week of May 25<sup>th</sup>.

"I look forward to working with both Democrats and Republicans in Congress to ensure that this legislation is signed into law, along with renewals of worker assistance and key trade preference programs as well as a strong enforcement package that will provide tough new tools to hold countries accountable if they break the rules," Froman said on May 22<sup>nd</sup>.

## **APEC Ministerial Meeting**

TPP trade ministers had a chance to meet bilaterally on the sidelines of the Asia-Pacific Economic Cooperation (APEC) ministerial meeting held May 23-24 in Boracay (Philippines). There, it was reported that some ministers seized the opportunity to review the status of the negotiations and discuss the work program going forward. Froman also debriefed ministers on the status of the TPA, which was just passed by the U.S. Senate on May 22<sup>nd</sup>. The TPP ministers "welcomed the progress being made by TPP Chief Negotiators in Guam and reaffirmed their commitment to concluding TPP on an expedited basis," the USTR spokesperson said.

In Boracay, the APEC ministers also reiterated their support to the multilateral trading system and the WTO, which will be celebrating its 20<sup>th</sup> anniversary this year, by issuing a statement acknowledging that bilateral, regional and plurilateral trade agreements such the TPP can play an important role in complementing global liberalization initiatives. "We commit to contribute to the achievement of concrete and meaningful outcomes at MC10 [*the 10<sup>th</sup> WTO Ministerial Conference*] including our work towards the successful conclusion of the Doha Round," the ministers said in a statement released at the end of the two-day conference.

APEC ministers pledged "to contribute positively to the formulation of a clearly-defined work program" which is set to be agreed upon by the end of July 2015 and to engage constructively to negotiate and adopt a permanent solution on the issue of public stockholding for food security purposes by December 31, 2015. The group also welcomed the adoption of the Protocol of Amendment for the Trade Facilitation Agreement (TFA) and commit to submit their instruments of acceptance to the WTO by MC10 which they say "would bring significant contribution to the sustainability of global trade, and highlight the value of the WTO to its stakeholders around the world".

So far, only four WTO Members – Hong Kong, Singapore, the United States, and Mauritius – have secured domestic acceptance of the TFA. Two-thirds of the WTO's 160-strong membership will need to ratify it in order for the TFA agreement to enter into force.

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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