Appendix A
Request Letter

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

November 5, 2015

The Honorable Meredith Broadbent
Chairman
United States International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Dear Chairman Broadbent:

As you know, the United States has completed the negotiation of the Trans-Pacific Partnership Agreement (TPP Agreement), a comprehensive free trade agreement with 11 nations in the Asia-Pacific region. The advice that the U.S. International Trade Commission ("Commission") provided over the course of these negotiations assisted us greatly in bringing the negotiations to a successful conclusion.

The President notified Congress of his intent to enter into the agreement on November 5, 2015. Pursuant to authority delegated to me by the President and in accordance with section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 ("Trade Priorities Act") I request the Commission to prepare a report as specified in section 105(c)(2)-(3) of the Trade Priorities Act assessing the likely impact of the TPP Agreement on the United States economy as a whole and on specific industry sectors and the interests of U.S. consumers.

I would greatly appreciate it if the Commission could issue its report as soon as possible. I am providing the Commission with the details of the TPP Agreement as it exists at this time and will continue to keep the Commission current with respect to the details of the Agreement. In addition, I have instructed my staff to be available to answer questions or provide additional information on the Agreement.

Thank you for your continued cooperation and assistance in this matter.

Sincerely,

Michael Froman

Ambassador Michael B. G. Froman

Appendix B
Federal Register Notice

72736 Federal Register / Vol. 80, No. 224 / Friday, November 20, 2015 / Notices

(202) 205–2000. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its Internet server at *http://www.usitc.gov.* The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

FOR FURTHER INFORMATION CONTACT: The Office of Docket Services, U.S. International Trade Commission, telephone (202) 205–1802.

SUPPLEMENTARY INFORMATION:

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, and in section 210.10 of the Commission's Rules of Practice and Procedure, 19 CFR 210.10 (2015).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on November 16, 2015, *ordered that*—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain automated teller machines, ATM modules, components thereof, and products containing the same by reason of infringement of one or more of claims 1, 2, 5–8, 10, 16–18, 20, 22, 23, 26, and 27 of the '616 patent; claims 1–8, 12–18, and 21–27 of the '461 patent; claims 1–15, 18–20, 22–26, and 28–30 of the '010 patent; claims 1–4, 6, 14, 15, and 19 of the '761 patent; claims 1–5 and 13–24 of the '163 patent; and claims 1–8 and 12–20 of the '631 patent, and whether an industry in the United States exists as required by subsection (a)(2) of section 337;

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainants are:

Diebold, Incorporated, 5995 Mayfair Road, North Canton, OH 44720.

Diebold Self-Service Systems, 5995 Mayfair Road, North Canton, OH 44720.

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Nautilus Hyosung Inc., 281 Gwangpyeong-ro, Gangnam-gu Gu, Seoul, Republic of Korea.

Nautilus Hyosung America Inc., 6641 N. Beltline Road, Suite 100, Irving, TX 75061.

HS Global, Inc., 381 Thor Pl., Brea, CA 92821.

(3) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

The Office of Unfair Import Investigations will not participate as a party in this investigation.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(e) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: November 17, 2015.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2015–29669 Filed 11–19–15; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TPA–105–001]

Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of public hearing.

SUMMARY: Following receipt on November 5, 2015 of a request from the U.S. Trade Representative (USTR), the Commission has instituted investigation No. TPA–105–001, *Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors,* under section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C. 4204(c)), for the purpose of assessing the likely impact of the Agreement on the U.S. economy as a whole and on specific industry sectors and the interests of U.S. consumers. In addition to the United States, the Agreement includes Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

DATES:

December 22, 2015: Deadline for filing requests to appear at the public hearing.

December 29, 2015: Deadline for filing pre-hearing briefs and statements.

January 13, 2016: Public hearing.

January 22, 2016: Deadline for filing post-hearing briefs and statements.

February 15, 2016: Deadline for filing all other written submissions.

May 18, 2016: Anticipated date for transmitting Commission report to the President and Congress.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *https://edis.usitc.gov.*

FOR FURTHER INFORMATION CONTACT: Project Leader Jose Signoret (202–205–3125 or *jose.signoret@usitc.gov*) or Deputy Project Leader Laura Bloodgood (202–708–4726 or *laura.bloodgood@usitc.gov*) for information specific to this investigation. For information on the legal aspects of this investigation, contact William Gearhart of the

Commission's Office of the General Counsel (202–205–3091 or *william.gearhart@usitc.gov*). The media should contact Margaret O'Laughlin, Office of External Relations (202–205–1819 or *margaret.olaughlin@usitc.gov*). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202–205–1810. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000.

Background

On November 5, 2015, the Commission received a letter from the USTR stating that the President notified Congress, also on November 5, 2015, of his intent to enter into the Trans-Pacific Partnership Agreement with the countries of Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. As requested by the USTR and as required by section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (2015 Act), the Commission will submit to the President and Congress a report assessing the likely impact of the Trans-Pacific Partnership (TPP) Agreement on the U.S. economy as a whole and on specific industry sectors and the interests of U.S. consumers. In assessing the likely impact, the Commission will include the impact the agreement will have on the U.S. gross domestic product; exports and imports; aggregate employment and employment opportunities; and the production, employment, and competitive position of industries likely to be significantly affected by the agreement. In preparing its assessment, the Commission will also review available economic assessments regarding the Agreement, including literature concerning any substantially equivalent proposed agreement. The Commission will provide a description of the analytical methods used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the Commission's analyses and conclusions and other economic assessments reviewed.

Section 105(c)(2) of the 2015 Act requires that the Commission submit its report to the President and the Congress not later than 105 days after the President enters into the agreement. The USTR requested that the Commission provide the report as soon as possible. Section 105(c)(4) of the 2015 Act requires the President to make the Commission's assessment under section 105(c)(2) available to the public.

Public Hearing

The Commission will hold a public hearing in connection with this investigation at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC, beginning at 9:30 a.m. on January 13, 2016, and continuing on additional days, if necessary. Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., December 22, 2015. All pre-hearing briefs and statements must be filed not later than 5:15 p.m., December 29, 2015; and all post-hearing briefs and statements, which should focus on matters raised at the hearing, must be filed not later than 5:15 p.m., January 22, 2016. In order to appear at the hearing, all interested parties and other persons appearing must file a pre-hearing brief or statement that sets forth the information and arguments they intend to present at the hearing. An extension of time for filing requests to appear, pre-hearing and post-hearing statements, and all other written submissions will not be granted unless the Chairman determines that the condition for granting an extension of time in section 201.14(b)(2) of the *Commission Rules of Practice and Procedure* (19 CFR 201.14(b)(2)) is met. All requests to appear and all pre-hearing and post-hearing briefs and statements should otherwise be filed in accordance with the requirements in the ''Written Submissions'' section below. In the event that, as of the close of business on December 22, 2015, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant should contact the Office of the Secretary at 202–205–2000 after December 22, 2015, for information concerning whether the hearing will be held.

Written Submissions

In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary. Except in the case of requests to appear at the hearing and pre-hearing and post-hearing briefs and statements, all written submissions should be received not later than 5:15 p.m., February 15, 2016. All written submissions must conform with the provisions of section 201.8 of the *Commission Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 and the Commission's Handbook on Filing Procedures requires that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Secretary (202–205–2000).

Any submissions that contain confidential business information (CBI) must also conform with the requirements of section 201.6 of the *Commission Rules of Practice and Procedure* (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the ''confidential'' or ''non-confidential'' version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties. Any confidential business information received by the Commission in this investigation and used in preparing this report will not be published in a manner that would reveal the operations of the firm supplying the information.

Summaries of Written Submissions

The Commission intends to publish summaries of the positions of interested persons in an appendix to its report. Persons wishing to have a summary of their position included in the appendix should include a summary with either their pre-hearing or post-hearing brief or another written submission, or as a separate written submission, and the summary must be clearly marked on its front page as being their ''summary of position for inclusion in the appendix to the Commission's report.'' The summary may not exceed 500 words, should be in MSWord format or a format that can be easily converted to MSWord, and should not include any confidential business information. The summary will be published as provided if it meets these requirements and is germane to the subject matter of the investigation. In the appendix the Commission will identify the name of the organization furnishing the summary, and will include a link to the Commission's Electronic Document Information System (EDIS) where the full written submission can be found.

By order of the Commission.

Issued: November 17, 2015.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2015–29659 Filed 11–19–15; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–971]

Certain Air Mattress Systems, Components Thereof, and Methods of Using the Same; Institution of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on October 16, 2015, under section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, on behalf of Select Comfort Corporation of Minneapolis, Minnesota and Select Comfort SC Corporation of Greenville, South Carolina. Supplements were filed on October 28, 2015 and November 5, 2015. The complaint, as supplemented, alleges violations of section 337 based upon the importation into the United States, the sale for importation, and the sale within the United States after importation of certain air mattress systems, components thereof, and methods of using the same by reason of infringement of certain claims of U.S. Patent No. 5,904,172 (''the '172 patent'') and U.S. Patent No. 7,389,554 (''the '554 patent''). The complaint further alleges that an industry in the United States exists as required by subsection (a)(2) of section 337.

The complainants request that the Commission institute an investigation and, after the investigation, issue a limited exclusion order and cease and desist orders.

ADDRESSES: The complaint, except for any confidential information contained therein, is available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Room 112, Washington, DC 20436, telephone (202) 205–2000. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at (202) 205–2000. General information concerning the Commission may also be obtained by accessing its Internet server at *http://www.usitc.gov*. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

FOR FURTHER INFORMATION CONTACT: The Office of Unfair Import Investigations, U.S. International Trade Commission, telephone (202) 205–2560.

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, and in section 210.10 of the Commission's Rules of Practice and Procedure, 19 CFR 210.10 (2015).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on November 16, 2015, ORDERED THAT—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain air mattress systems, components thereof, and methods of using the same by reason of infringement of one or more of claims 2, 6, 9, 12, 16, 20 and 22–24 of the '172 patent and claims 1, 5, 6, 16, 22, and 26 of the '554 patent, and whether an industry in the United States exists as required by subsection (a)(2) of section 337;

(2) Pursuant to Commission Rule 210.50(b)(1), 19 CFR 210.50(b)(1), the presiding administrative law judge shall take evidence or other information and hear arguments from the parties and other interested persons with respect to the public interest in this investigation, as appropriate, and provide the Commission with findings of fact and a recommended determination on this issue, which shall be limited to the statutory public interest factors set forth in 19 U.S.C. 1337(d)(1), (f)(1), (g)(1);

(3) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainants are: Select Comfort Corporation, 9800 59th Avenue North, Minneapolis, MN 55442; Select Comfort SC Corporation, 103 Shaw Street, Greenville, SC 29609.

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served: Sizewise Rentals LLC, 1600 Genessee, Suite 950, Kansas City, MO 64102; American National Manufacturing Inc., 252 Mariah Circle, Corona, CA 92879; Dires LLC and Dires LLC d/b/a Personal Comfort Beds, 3411 Lake Breeze Drive, Bldg. 601, Ste. E/F, Orlando, FL 32808.

(c) The Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street SW., Suite 401, Washington, DC 20436; and

(4) For the investigation so instituted, the Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(e) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: November 17, 2015.

Lisa R. Barton,

Secretary to the Commission.

[FR Doc. 2015–29670 Filed 11–19–15; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Foreign Claims Settlement Commission

AGENCY: Foreign Claims Settlement Commission of the United States, DOJ.

Appendix C
Calendar of Hearing Witnesses

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors

Inv. No.: TPA-105-001

Dates and Time: January 13, 2016 – 9:30 a.m. (DAY 1)

Sessions were held in connection with this investigation in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, DC.

PANEL 1: Congressional, Embassy, and State Government Witnesses

CONGRESSIONAL APPEARANCES:

The Honorable Sander M. Levin, U.S. Representative, 9th District, Michigan

The Honorable Henry Cuellar, Ph.D., U.S. Representative, 28th District, Texas

EMBASSY APPEARANCES:

Embassy of the Republic of Singapore

Washington, DC

His Excellency Ashok Kumar Mirpuri, Ambassador of the Republic of Singapore to the United States of America

Embassy of Japan

Washington, DC

His Excellency Ken Ichiro Sasae, Ambassador of Japan to the United States of America

Embassy of Peru

Washington, DC

His Excellency Luis Miguel Castilla, Ambassador of Peru to the United States of America

STATE GOVERNMENT WITNESS:

U.S. Conference of Mayors

Washington, DC

The Honorable Christopher Cabaldon, Mayor of West Sacramento, CA

PANEL 2: Business and Labor Views

ORGANIZATION AND WITNESS:

Chamber of Commerce of the United States of America

Washington, DC

John Murphy, Senior Vice President, International Policy

U.S.-Japan Business Council

Washington, DC

James W. Fatheree, President

Emergency Committee for American Trade ("ECAT")

Washington, DC

Vanessa Sciarra, Vice President

National Foreign Trade Council ("NFTC")

Washington, DC

Alan Wm. Wolff, Chairman

National Farmers Union

Washington, DC

Roger Johnson, President

American Federation of Labor and Congress of Industrial Organizations ("AFL-CIO")

Washington, DC

Celeste Drake, Policy Specialist for Trade and International Economics

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America ("UAW")

Washington, DC

Josh Nassar, Legislative Director

United Steel Workers ("USW")

Pittsburgh, PA

Leo W. Gerard, International President

International Association of Machinists and Aerospace Workers (“IAM”)

Upper Marlboro, MD

Bruce Olsson, Assistant Legislative Director

PANEL 3: Services and Digital Trade

ORGANIZATION AND WITNESS:

Coalition of Services Industries (“CSI”)

Washington, DC

Peter Allgeier, President

American Insurance Association (“AIA”)

Washington, DC

Stephen Simchak, Director, International Affairs

Information Technology Industry Council (“ITIC”)

Washington, DC

Ed Brzytwa, Director of Global Policy for Localization, Trade and Multilateral Affairs

IBM Corporation

Washington, DC

Christopher A. Padilla, Vice President, IBM Government and Regulatory Affairs

International Intellectual Property Alliance ("IIPA")

Washington, DC

Steven J. Metalitz, Counsel

Wal-Mart Stores, Inc.

Washington, DC

Sarah Thorn, Senior Director, International Trade

Cask LLC

Stafford, VA

George Judd, Vice President

Software & Information Industry Association ("SIIA")

Washington, DC

Carl Schonander, Senior Director for International Public Policy

- END -

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors

Inv. No.: TPA-105-001

Dates and Time: January 14, 2016 – 9:30 a.m. (DAY 2)

Sessions were held in connection with this investigation in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, DC.

CONGRESSIONAL APPEARANCE:

The Honorable Sherrod Brown, United States Senator, Ohio

PANEL 1: Agriculture

ORGANIZATION AND WITNESS:

U.S. Dairy Export Council

Arlington, VA

Thomas M. Suber, President

National Cattlemen's Beef Association

Washington, DC

Kevin Kester, Policy Division Chair

R-CALF United Stockgrowers of America ("R-CALF USA")

Billings, MT

Bill Bullard, CEO, The Ranchers-Cattlemen Action Legal Fund

United States Hide, Skin and Leather Association (an affiliate of the North American Meat Institute)

Washington, DC

Stephen M. Sothmann, President

BroschTrade LLC

Woodville, VA

<u>on behalf of</u>

The National Chicken Council of the United States ("NCC")

USA Poultry & Egg Export Council ("USAPEEC")

Michael Brown, President, NCC

Kevin J. Brosch) – OF COUNSEL

Cargill, Incorporated

Washington, DC

Devry Boughner Vorwerk, Vice President, Corporate Affairs

Tuttle Taylor & Heron

Washington, DC

on behalf of

Blue Diamond Growers

Julian B. Heron) – Of Counsel

American Olive Oil Producers Association

Clovis, CA

Kimberly Houlding, President and CEO

Sweetener Users Association ("SUA")

Washington, DC

Tom Earley, Vice President, Agralytica & SUA consultant

Pet Food Institute

Washington, DC

Peter Tabor, Vice President, Regulatory and International Affairs

PANEL 2: Manufacturing

ORGANIZATION AND WITNESS:

National Association of Manufacturers ("NAM")

Washington, DC

Linda M. Dempsey, Vice President, International

Semiconductor Industry Association ("SIA")

Washington, DC

C. Devi Bengfort Keller, Director of Global Policy

The Tile Council of North America

Washington, DC

Eric Astrachan, Executive Director

The General Electric Company ("GE")

Washington, DC

Karan K. Bhatia, Vice President and Senior Counsel, Global Government Affairs & Policy

Barcoding, Inc.

Baltimore, MD

Jay Steinmetz, CEO and Founder

ASTM International

West Conshohocken, PA

Anthony R. Quinn, Director, Public Policy and International Trade

Sandler, Travis & Rosenberg, P.A.

Washington, DC

Nicole Bivens Collinson, President, Trade Negotiations and Legislative Affairs

PANEL 3: Academics and Think Tanks

ORGANIZATION AND WITNESS:

Richard O. Cunningham

National Graduate Institute for Policy Studies (“GRIPS”)

Tokyo, Japan

Kenichi Kawasaki, Senior Fellow

Third Way

Washington, DC

Gabriel Horwitz, Vice President of the Economic Program

Ideal Taxes Association

Pittsburgh, PA

Dr. Jesse T. Richman, Associate Professor of Political Science, Old Dominion University

Dr. Howard Richman, Research Associate

Georgetown University

Center for Business and Public Policy

Washington, DC

Bob Vastine, Senior Industry Fellow

- END -

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors

Inv. No.: TPA-105-001

Dates and Time: January 15, 2016 – 9:30 a.m. (DAY 3)

Sessions were held in connection with this investigation in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, DC.

PANEL 1: Textiles, Apparel, and Chemicals

ORGANIZATION AND WITNESS:

American Apparel & Footwear Association ("AAFA")

Arlington, VA

Stephen Lamar, Executive Vice President

Barnes & Thornburg LLP

Washington, DC

on behalf of

U.S. Fashion Industry Association

Julia Hughes, President

David M. Spooner) – Of Counsel

Gap Inc.

San Francisco, CA

Stephanie Lester, Director, Government Affairs

Outdoor Industry Association

Boulder, CO

Rich Harper, Policy Advisor for Trade

Footwear Distribution and Retailers of America ("FDRA")

Washington, DC

Matt Priest, President

<u>ORGANIZATION AND WITNESS:</u>

American Chemistry Council ("ACC")

Washington, DC

Greg Skelton, Senior Director

Personal Care Products Council

Washington, DC

Francine Lamoriello, Executive Vice President

Halosil International, Inc.

New Castle, DE

Maryalice Panarello StClair, Vice President, Business Development

PANEL 2: Various Topics

ORGANIZATION AND WITNESS:

Trade in Services International ("TiSI")

Chevy Chase, MD

Linda Schmid, International Trade and Development Adviser

Economic Policy Institute

Washington, DC

Robert E. Scott, Director of Trade and Manufacturing Policy Research

Americans Backing a Competitive Dollar – Now!

John R. Hansen, Ph.D., Founding Director

Coalition for a Prosperous America ("CPA")

Washington, DC

Michael Stumo, Chief Executive Officer

Industrial Energy Consumers of America

Washington, DC

Paul N. Cicio, President

WileyRein LLP

Washington, DC

Nova Daly, Senior Public Policy Advisor

PANEL 3: IP and Pharmaceuticals

Information Technology and Innovation Foundation ("ITIF")

Washington, DC

Stephen Ezell, Vice President, Global Innovation Policy

Doctors Without Borders

New York, NY

Judit Rius Sanjuan, U.S. Manager & Legal Policy Adviser, Access Campaign

Knowledge Ecology International ("KEI")

Washington, DC

James Love, Director

Union for Affordable Cancer Treatment ("UACT")

Washington, DC

Manon Ress, Representative

-END-

Appendix D
Summary of the Views of Interested Parties

Views of Interested Parties

Interested parties had the opportunity to file written submissions to the Commission in the course of this investigation and to provide summaries of the positions expressed in the submissions for inclusion in this report. This appendix contains these written summaries, provided that they meet certain requirements set out in the notice of investigation. The Commission has not edited these summaries. This appendix also contains the names of other interested parties who filed written submissions during investigation but did not provide written summaries. A copy of each written submission is available in the Commission's Electronic Docket Information System (EDIS).[1229] The Commission also held a public hearing in connection with this investigation on January 13–15, 2016. The full text of the transcript of the Commission's hearing is also available on EDIS.

Written Submissions

Senator Sherrod Brown

No written summary. Please see EDIS for full submission.

Representative Henry Cuellar, Ph.D.

No written summary. Please see EDIS for full submission.

Representatives Rosa DeLauro, Louise Slaughter, Peter DeFazio, and Barbara Lee

The USITC's TPP report will only be relevant if the content reflects the realities of our modern economy. With respect to past USITC studies, projections have been contradicted by actual trade agreement outcomes. The US Congress must have reliable data to understand the impact the TPP may have on American families, domestic businesses, and farmers. The primary concern that the USITC must consider with regard to the economic impact of the TPP is its role in sending American jobs overseas, flooding our markets with more imports, and thus suppressing wages at home.

We urge you to consider not only projected gains from any increase in exports under the agreement, but also the impact of projected increases in imports. The TPP was modeled on the US-Korea Free Trade Agreement (KORUS). The 2007 USITC KORUS report projected a negligible

[1229] Available online at http://edis.usitc.gov.

positive impact on American output and an improved trade balance with Korea. However, the US-Korea goods trade deficit grew between 2011 and 2015 by at least 93 percent.

Additionally, the study must assess how the TPP will impact aggregate demand. Which regions of the country will be particularly devastated? How will the agreement's intellectual property provisions increase the price of medicine and information technology? How will USITC calculate the effect of the TPP's investor protections with respect to the promotion of outward capital flows and the implications it would have for displacing investment in US production capacity and, as a result, job creation? How will the agreement's investor protections expand U.S. liability to damage awards for investor-state dispute settlement challenges?

As the USITC considers the design of its TPP analysis, how will it take into consideration that the TPP's rules of origin are very weak? Only 45 percent of a vehicle must be made in a TPP country for it to receive the tariff benefits of the trade agreement. With potentially 55 percent of motor vehicle parts originating in a non-TPP country like China, the threat to the American auto industry is serious.

We urge USITC to adopt a new model for evaluating the impact of trade agreements. As researchers at the Global Development and Environment Institute at Tufts University have pointed out, many of the modest growth projections for the U.S. under the TPP are premised on unrealistic economic assumptions in their analysis. Indeed, past projections by the USITC have relied upon similar computable general equilibrium (CGE) models. The primary problems with CGE models are the assumptions of full employment, a stable trade balance, and constant income distribution.

Finally, there are no enforceable currency management disciplines in the TPP text. Japan, in particular, has an extensive history of currency management. Former IMF Chief Economist Simon Johnson has labeled the separate currency "declaration" among TPP nations as "window dressing".

The costs of the TPP are likely to fall asymmetrically on the American middle class, low income men and women, and communities of color. Congress must know the full price of TPP's burden on working families in America's economy.

Representative Sander M. Levin

We all recognize that trade can be beneficial: the issue is not whether someone can pass an Econ 101 class. Instead, the issue is whether we are going to face up to the fact that our trading system today is much more complex than the simplistic trade model presented in an Econ 101 class. As Joseph Stiglitz pointed out recently, nineteenth century economics and the theory of comparative advantage assumed a fixed level of technology and full employment. Those assumptions do not fit very well in today's world.

Further, one of the most critical economic issues facing our country today is growing economic inequality and a stagnant middle class. There is growing agreement among economists today that trade contributes to economic inequality in the United States. But some try to downplay that fact by pointing out that other factors may contribute more to the problem, as if that means we should not worry about the impact trade is having. This underscores that the substance of the trade agreements – the international rules – matter. Our trade agreements must be designed to shape trade and spread its benefits more broadly.

We also need to stop pretending that trade only has benefits and few costs. We need to stop talking exclusively about exports and downplaying the negative impact that some imports have. Of course, imports can help to lower prices for manufacturers and consumers. But lower prices do not do you much good if you have lost your job or seen your wage decline or stagnate. Again, as Jeffrey Sachs has said, "It's true that the benefits often outweigh the costs, leading to the argument that winners can compensate losers. But in America, winners rarely compensate losers; more often than not, the winners attempt to trounce the losers."

The Commission is charged with undertaking an economic analysis of the TPP and its broader context. It must cut through the simplistic generalizations in the debate today that trade is categorically good or bad. So often the main message from those who favor a trade agreement is their focus on exports and how jobs relating to them pay higher than the average. Analyses in opposition to trade often do mainly the opposite, positing the number of jobs mathematically for each quantum of the trade deficit. In its report on TPP, it is critical that the Commission dig far deeper into the likely economic impact of TPP and assess the impact of provisions related to labor, environment, currency manipulation, and many others.

The importance of the Commission's report is highlighted by the lack of detailed analysis on many of these economic issues. However, the impact of U.S. trade agreements is no longer a hypothetical issue, and no longer can we simply assume that the benefits of trade will outweigh its costs or that those who benefit will compensate those who lose. I expect the Commission, in its unique position, to produce a thorough and nuanced analysis of the TPP. We need new models – and new thinking.

Representative Daniel Lipinski

In his testimony, Congressman Daniel Lipinski outlined the past issues with the International Trade Commission's analysis of the United States-Korea Free Trade Agreement. Congressman Lipinski also outlined areas that he believes the International Trade Commission should take into consideration when completing its economic analysis of the TPP, specifically rules of origin provisions, currency manipulation and the potential for depressed wages and job losses.

Republic of El Salvador

No written summary. Please see EDIS for full submission.

Embassy of Japan

No written summary. Please see EDIS for full submission.

Embassy of Peru

No written summary. Please see EDIS for full submission.

Republic of Singapore

No written summary. Please see EDIS for full submission.

3-C Technology

No written summary. Please see EDIS for full submission.

Professor Susan Aaronson

TPP is the first trade agreement to include binding commitments to facilitate cross-border information flows and to limit digital protectionism. On one hand, the Obama Administration asserts that “TPP will help preserve the open Internet and prevent its breakup into multiple, balkanized networks in which data flows are more expensive and more frequently blocked.” The Obama Administration overstates its case: TPP can’t maintain the Open Internet nor can it prevent intranets or other nation’s blocking or filtering. On the other hand, critics have said that the agreement undermines Internet freedom and access to information. They too are exaggerating the negatives of the agreement, basing their arguments on the copyright chapter, but downplaying the potential benefits derived from making the free flow of information a default for the trade agreement.

In this testimony, I use the e-commerce, services, and transparency chapters of TPP to argue that proponents and opponents alike are exaggerating the costs and benefits to the Internet. It is true that TPP will have an impact on Internet governance simply because it covers so many Internet providers and users and because its commitments will affect how governments can behave when regulating cross-border information flows. TPP parties have a population of some 800 million people, or 11.4% of the Earth's total.

Moreover, TPP includes important and growing markets for digital products and services such as Vietnam. Colombia, Indonesia, the Philippines, South Korea, Taiwan, and Thailand have expressed interest in joining TPP should it come into effect. Moreover, if TPP is approved, it could have significant spillover effects upon how other governments deal with cross-border information flows. They will have to comply with TPP rules when they exchange information with TPP parties. At minimum, the US will want to use TPP as a guidepost for other trade agreements including TTIP and TISA under negotiation.

While it can't keep the Internet open, TPP has provisions which would allow the US to challenge censorship and filtering as trade barriers. Moreover, the agreement contains transparency requirements that could bring much needed sunshine, due process, and increased political participation to trade (and Internet related) policymaking in countries such as Vietnam and Malaysia.

But TPP critics make some important points that should not be ignored including its effects on freedom of expression and on cyber-security.

In sum, TPP is a big if; but TPP could have positive effects on the Internet if three things happen:

- First, the agreement must go into effect and other countries sign on;
- Secondly, if policymakers use its provisions to enhance human welfare—as example, to maintain Internet openness and challenge Internet censorship and filtering as barriers to trade, and
- if other nations build on TPP's language in their free trade agreements and/or at the WTO.

Aerospace Industries Association

The Aerospace Industries Association urges Congress to approve the Trans-Pacific Partnership and increase international trade substantially in the Pacific Rim region. Nearly 40 percent of U.S. exports and imports are made with the countries participating in this agreement.

Trade in the Pacific region is particularly important to the U.S. Aerospace and Defense industry, as demonstrated by the commitment of companies to participating in the upcoming Singapore Airshow. According to Kallman International, in 2014 the U.S. International Pavilion at the Singapore Airshow was the largest ever. This year more than 125 American companies are exhibiting at Singapore, ranging from publicly traded stalwarts to privately held small and medium enterprises. That presence is a strong indicator of how important the region is to the U.S. aviation and aerospace business, and how interested countries in the region are to work with U.S. companies to further their security and economic interests.

With federal budgets still constrained by austerity measures imposed under the Budget Control Act of 2010, international trade is more critical than ever to the U.S. Aerospace and Defense industry. We strongly urge Congress to pass this important tool for expanding trade in a region that is rapidly growing in importance to our country.

Alignment Simple Solutions

Introduction

I’m a big proponent of trade agreements like the Trans-Pacific Partnership, because they help small businesses like mine. My company, Alignment Simple Solutions, manufactures QuickTrick Alignment Tools in the United States. Our products improve performance and lengthen tire life for safer and more effective transportation. QuickTrick provides the ability to reduce risk and damage through early detection without cumbersome equipment. We have five employees and we manufacture our products in-house, with components mostly made in the United States.

The Trans-Pacific Partnership would reduce barriers, simplify procedures, and expand market opportunities that would allow us to grow and create more jobs.

Barriers to Trade

Currently international trade is challenging, because high tariffs and shipping costs inhibit our customers. Our product is designed for people who want to save money by keeping their car on the road longer, so they’re sensitive to the price.

Additionally, on a regular basis, we have things disappear in Customs. When this happens we have to reimburse the customer and we lose the sale. So, sometimes we have to stop selling to certain countries.

Benefits to Trade

Our core business is with racers and customizers. Many men in Australia are racing enthusiasts and it’s become our biggest market, second only to Canada. When it’s cold here, it’s warm there, so this seasonal flip gives us a more steady revenue line.

The internet makes it possible to do things that would have been impossible in the past. A few years ago my company first started to sell things on eBay to test the market and it just so happened that we sold internationally in the first week.

I'm proud to say that now we have sold our products in over 105 countries. It's time for America's policies to match our potential. I hope Congress passes the Trans-Pacific Partnership to open more doors for U.S. companies.

Allegheny Technologies Incorporated

No written summary. Please see EDIS for full submission.

Aluminum Association

The U.S. aluminum industry has manufacturing operations in nearly every state, supports more than 670,000 direct, indirect and induced jobs, and, with $154 billion in economic output, represents almost one percent of the nation's Gross Domestic Production. In 2014, U.S. aluminum product exports totaled $12 billion and imports totaled $17 billion. About 60 percent of U.S. aluminum trade is with TPP countries, mostly Canada and Mexico.

U.S. tariffs on aluminum products are generally low. For the bulk of U.S. aluminum trade with TPP partners, duties are currently zero because of provisions in NAFTA and the other existing FTAs. U.S. aluminum trade with Canada, Mexico, and the four other countries with which the U.S. has existing free trade agreements (Australia, Chile, Peru, and Singapore) will be largely unaffected by the TPP although certain provisions are designed to further facilitate trade with these existing FTA partners.

The TPP will have the most significant impact on U.S. trade with the five countries that TPP adds to America's FTA network: Japan, Vietnam, Malaysia, Brunei, and New Zealand. These countries currently account for less than 6 percent of U.S. aluminum trade, but they are growing markets for U.S. exports as well as sources of increasing U.S. imports. Currently, the value of U.S. aluminum product exports to those five countries is nearly $500 million. Of that amount, over $400 million are products that carry duties ranging as high as 27 percent. While going to zero tariffs will make it easier for U.S. exports to those countries, trade in aluminum products between non-partner countries and TPP countries also has the potential to adversely affect U.S. aluminum producers.

There is a high risk that exports of aluminum products from non-TPP countries, most notably China, can be mislabeled as to their origin or will be fabricated in the TPP country to avoid U.S. duties. This is already a problem for the U.S. aluminum industry and one that might be further exacerbated under the TPP. Primary aluminum that is minimally processed in China to qualify as a fabricated product, and thus avoid high export and value-added taxes, is then re-melted along with primary aluminum in a TPP country. Those fabricated products are shipped to the United States with no or low duties now, and would be completely duty-free under TPP. Optimistically, the TPP offers the opportunity to influence and eliminate this kind of illegal and deceptive trade practice.

Other positive TPP outcomes for the U.S. aluminum industry include: customs administration rules that require transparency and more expedient processing of shipments; measures that place some parameters around state-owned enterprises (SOE) to temper the harmful competitive advantages of those companies; and improved market access for U.S. products made with aluminum. However, it is critical that the United States devote the resources necessary for implementation and enforcement.

In summary, the agreement offers potential opportunities to improve trade among the TPP partners, but only if non-party countries do not take advantage of facilities in TPP countries to manipulate their trade to the detriment of U.S. producers.

American Apparel & Footwear Association

The American Apparel & Footwear Association (AAFA), the Travel Goods Association (TGA), and the Fashion Accessories Shippers Association (FASA) collectively represent many U.S. companies that make, market, and sell travel goods for the $36.5 billion market. In addition, AAFA represents U.S. companies that make, market, and sell apparel and footwear for the $360 billion apparel and footwear market. These combined industries employ more than 4 million U.S. workers. All three organizations strongly support the TPP for the following reasons:

1. TPP's reach alone presents opportunities for our industry to enter new markets and reach new consumers. When fully implemented, TPP will represent 40 percent of the world's Gross Domestic Product (GDP) and 800 million consumers.
2. The potential for significant U.S. duty savings – approximately $2.8 billion based on 2015 figures – create opportunities to lower costs, which in turn support U.S. jobs and spur innovations.

    - Flexible rules of origin combined with immediate duty elimination mean there will be immediate cost saving benefits on travel goods.
    - Workable rules of origin combined with immediate duty free access for many goods mean strong opportunities in the footwear sector.
    - While there are some immediate benefits for apparel, other benefits will take longer to materialize due to longer duty phase outs and restrictive rules of origin.

3. TPP provides opportunities to increase exports of U.S.-made or U.S.-branded products to other TPP countries. Through the elimination of duties or other restrictive measures, such

as a tariff rate quota Japan currently imposed on U.S. leather footwear exports, U.S. companies will be able to enter markets that currently restrict access.

4. TPP will also enable companies to reconfigure current supply chains to take advantage of fresh sourcing opportunities because more countries make up the TPP than stand-alone free trade agreements, such as the North American Free Trade Agreement (NAFTA).

We note that some apparel and footwear members are still concerned about the impact of the TPP due to:

5. Long duty phase outs that delay cost savings;
6. Restrictive rules of origin that may discourage U.S. exports (such as exports of U.S. legwear); and
7. Uncertainties related to the U.S./Vietnam labor provisions.

American Chemistry Council

No written summary. Please see EDIS for full submission.

American Farm Bureau Federation

No written summary. Please see EDIS for full submission.

American Federation of Labor & Congress of Industrial Organizations

The TPP is likely to harm the U.S. economy, cost jobs, and lower wages. The primary measure of the success of our trade policies should be increasing jobs, rising wages, and broadly shared prosperity, not higher corporate profits and increased offshoring of America's jobs and productive capacity. Trade rules that enhance the already formidable economic and political power of global corporations—including investor-to-state dispute settlement, excessive monopoly rights for pharmaceutical products, and deregulatory financial services and food safety rules—will continue to undermine worker bargaining power, here and abroad, as well as weaken democratic processes and regulatory capacity across all 12 TPP countries.

While once hopeful that the TPP would finally be the trade agreement that broke the elite stranglehold on trade policy and put working families at the front and center, the AFL-CIO concludes that the TPP fails to strike the proper balance: it puts profits over people and provides more leverage to defend investor rights than human rights. Given the misguided values enshrined in the TPP, it will actually make it harder to create a virtuous cycle of rising wages and demand in all 12 TPP countries.

While the TPP may create some limited opportunities for increased exports, there is a substantial likelihood that it will increase our trade deficit, which has been a substantial drag on job growth for more than twenty years. Especially at risk are jobs and wages in the auto, aerospace, aluminum and steel, apparel and textile, call center, and electronic and electrical machinery industries. The critical failure to address currency misalignment, feeble auto rules of origin and inadequate state-owned enterprise provisions, extraordinary rights provided to foreign investors and pharmaceutical companies, the undermining of Buy American, and the inclusion of a labor framework that has proved itself ineffective are key among the mistakes that contribute to our conclusion that the certain risks of TPP outweigh its speculative and limited benefits.

It is unfortunate that many of the debates around the TPP mirror those made 20 years ago about NAFTA. The AFL-CIO and our allies in the environmental, human rights, faith, and small business communities have marshaled the evidence amassed over the 20 years and attempted to shape trade policy to respond to lessons learned. Too many U.S. communities have lost their economic engines, too many American workers are told they can’t have a union in the workplace because the employer will move overseas, too many workers in Mexico and Peru are abused and exploited, and too many companies view trade deals weapons with which they can impose their preferred deregulatory agenda over citizen wishes to contrary. We were unable to secure needed changes to fix these shortcoming to trade rules in the TPP.

On behalf of the millions of working people we represent, the AFL-CIO urges the U.S. ITC to provide a thorough and balanced review of the TPP, including a comprehensive examination of its unbalanced provisions that skew benefits to economic elites while leaving workers to bear the brunt of the TPP’s downside.

American Federation of Labor & Congress of Industrial Organizations Action Network

No written summary. Please see EDIS for full submission.

American Insurance Association

The TPP will create significant access for U.S. insurers in a vitally important region. The low insurance penetration rates (an indicator of insurance sector development) and relatively high growth rates of many TPP countries demonstrate that there is enormous potential for U.S. insurers in those countries. To illustrate the growth potential outside of the U.S., the U.S. insurance penetration rate is 10.7%, well above the OECD average of 8.4%, and far above the 1.42% penetration rate of Vietnam, and the 1.7% penetration rate of Peru. The U.S.’s insurance penetration rate is by far the highest of all of the TPP markets. Liberalizing trade and investment rules in those countries through the TPP will permit U.S. insurers to compete more effectively. The TPP extends standard FTA commitments that are the bedrock of open insurance markets, including National Treatment (NT), Most- Favored Nation (MFN), market access commitments, cross-border commitments, new financial services commitments, senior management and boards of directors commitments, expedited availability of insurance commitments, investment protections, and others. The TPP also expands new types of commitments, such as commitments that limit the anti-competitive advantages enjoyed by state-owned post offices that underwrite insurance. Furthermore, we believe that the TPP will create more economic growth in all of the TPP markets, which in turn will generate more demand for insurance.

The benefits of TPP for the U.S. should not end with our eleven trading partners, however. The TPP has always been intended to allow countries to “dock” into the agreement, and we believe that TPP should be expanded to new Parties when possible, which will multiply the benefits of the TPP for U.S. insurers. However, new entrants to the TPP must be held to the highest standards and must have few and very narrowly tailored non-conforming measures (NCMs).

However, there are areas of the TPP that are not as strong as we had hoped. We are concerned that financial institutions will receive commitments on transfer of information (“data flows”) and data server locations that are weaker than those that other sectors will receive. Furthermore, it is clear that significant exceptions were taken by some of the TPP Parties in which there was the most potential for liberalization.

To summarize, though it has flaws that should be addressed, we believe that the TPP will create significant access for U.S. P&C insurers in markets with enormous potential. Furthermore, we believe that the TPP will create more overall economic growth in all of the TPP markets, which in turn will generate more demand for insurance. We also believe that the benefits of the TPP can be increased exponentially when new countries join the existing twelve TPP Parties.

American Natural Soda Ash Corporation

No written summary. Please see EDIS for full submission.

American Olive Oil Producers Association

The AOOPA is pleased with the removal of olive oil tariffs and non-tariff barriers by the TPP membership. The AOOPA membership supports the sanitary and phytosanitary agreement, and is pleased with trade facilitation language.

Like the U.S. wine industry in the 1970's, today the olive oil industry has small, medium, and large entities. Small and medium sized entities will take advantage of the small- and medium-sized enterprises program (SMEs).

The USITC Olive Oil Report (Inv. No. 332-537) provides comprehensive information on the world's olive oil producing countries, the consumer markets, and the obstacles U.S. olive oil producers face as the domestic industry develops. USTR should review this and the directives in the Federal Agriculture Reform and Risk Management Act of 2013 (Agricultural Act of 2014) Managers' Statements as they begin to implement the agreement and address additional trade problems through the TPP Technical Barriers to Trade process outlined in Chapter Eight of the agreement.

The AOOPA is disappointed that the TPP did not specifically include olive oil in the Technical Barriers to Trade Annex among other industries listed including: wine and distilled spirits, medical devices, cosmetics, pharmaceuticals, and information and communication technology. The exclusion of olive oil may require the TPP olive oil industries to organize, develop, enhance cooperation and implement their agenda outside the TPP's framework. Having no forum in TPP to address the harmonization of grade standards limits new world producers' ability to affect change. Currently, the International Olive Council (IOC), which is controlled by European producers, is responsible for international olive oil standards. TPP olive oil producing countries are not members of the IOC. Nevertheless, to enhance TPP trade, TPP olive oil industries plan to harmonize their grade standards, labeling and packaging, so trade within TPP countries will not be obstructed by different grade standards, labeling and packaging requirements.

American Peanut Product Manufacturers, Inc.

No written summary. Please see EDIS for full submission.

American Pistachio Growers

The Trans-Pacific Partnership is the next agreement that holds the potential for the industry to expand trade. In 2009, American Pistachio Growers, formally the Western Pistachio Association, requested the United States Trade Representative's office seek the elimination of tariffs for all TPP member countries with a focus on Vietnam. At that time, Vietnam's tariff for raw pistachios was 40 percent ad valorem. During the course of the negotiations, Vietnam unilaterally reduced their applied tariff from 40 to 15 percent. As a result, the industry has already seen market growth in Vietnam. Upon implementation of the agreement, Vietnam will reduce its tariffs by a third, with all duties being completely eliminated beginning year three of the agreement. Ultimately, the elimination of all duties are estimated to develop Vietnam into a $25 million market.

American Soybean Association and U.S. Soybean Export Council

After 5 years of negotiations the United States concluded the Trans-Pacific Partnership (TPP) with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam on October 5, 2015. TPP seeks to lower trade barriers such as tariffs, establish a common framework for intellectual property, enforce standards for labor law and environmental law, and establish an investor-state dispute settlement mechanism. TPP makes sure U.S. farmers, ranchers, manufacturers, and small businesses can compete—and win—in some of the fastest-growing markets in the world.

With more than 95 percent of the world's consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods such as agricultural products that support American jobs. The TPP agreement grants new and enhanced market access in Japan, Vietnam, Malaysia, New Zealand and Brunei, countries where the United States does not currently have a free trade agreement (FTA). As such the TPP agreement is necessary for U.S. exports to remain competitive. Countries in the TPP currently account for up to 42% of all U.S. agricultural exports—that's $59.4 billion for the last marketing year (September-August).

Soybeans and soybean products will be minimally but positively impacted by the TPP agreement through the elimination of tariffs and an increase in direct sales of soybean and soybean products in TPP countries. In the 2014/2015 marketing year, the United States exported $5 billion of soybeans and soybean products to the TPP region and $27.7 billion to the rest of the world. This number is likely to grow under the new agreement. The TPP strengthens trade rules and provides new market access for U.S. agricultural exports to Japan, Malaysia, Vietnam, New Zealand and Brunei.

While the direct impact of TPP on soybeans will be relatively small, soybeans and the soybean products have a good chance of being indirectly benefited by the increase in U.S. meat exports likely to be accomplished through the TPP.

American Sugar Alliance

No written summary. Please see EDIS for full submission.

Americans Backing a Competitive Dollar

Implementing the TPP at this time is difficult to justify. The Petri-Plummer analysis indicates a net TPP benefit that would not be statistically different from zero after fifteen years, and their analysis ignores substantial job loss and income distribution costs. Tufts research indicates even smaller, probably negative, net TPP benefits and highlights costs ignored by Petri-Plummer. The biggest downside risk is that the TPP will significantly increase America's already excessive trade deficits because it does nothing to fix the overvalued dollar.

The dollar's overvaluation has been driving the loss of thousands of American factories and millions of American jobs for nearly 40 years, yet no mechanisms have been put in place in the TPP or through parallel legislation to bring the dollar back to its trade-balancing equilibrium level and keep it there. By expanding trade without fixing the dollar's value, the TPP would make existing deficits even worse.

Many have called for "tough language" in the TPP or in parallel legislation to prevent currency manipulation. However, such language would not fix the overvalued dollar because currency manipulation has contributed very little to the problem.

Currency manipulators have been the favorite scapegoat for U.S. trade deficits since the 1970s. However, U.S. laws designed to fight currency manipulation have never solved the problem. Even the IMF, which has had rules against currency manipulation since it was founded almost seventy years ago, has never once managed to "convict" a country of currency manipulation.

As defined by the IMF, currency manipulation means that a member government is manipulating the exchange rate of its currency and thus the international monetary system.

However, only 22 percent of all foreign purchases of U.S. securities and other portfolio investments in America between 1990 and 2015 were by official bodies (USTIC 2016). The remaining 78 percent were made by foreign private investors. Since 2000, the share of official purchases accounted for only 10 percent of the total. And as Fred Bergsten recently noted, "manipulation declined substantially in 2014 … and almost disappeared in 2015."

These facts seriously undermine the argument that "currency manipulation" is the cause of America's trade deficits. In fact, as shown by the recent work of Hansen (2016), currency manipulation may never have been the key reason for America's trade deficits. The problem instead has been currency misalignment caused primarily by excessive private foreign capital inflows driving up the dollar's value.

Implications for the TPP: The cost-benefit case for implementing the TPP is already exceedingly weak, and absent any effective mechanism to return the dollar to its trade-balancing equilibrium rate and keep it there, growing trade deficits will inevitably turn the small estimated TPP net benefits into substantial net losses for America.

The TPP should therefore be put on hold until an appropriate mechanism linking the dollar's value to balanced trade is established.

Apfelbaum Industrial

Introduction

My company manufactures high and medium voltage equipment and accessories and Oil Transformers Reclaiming Equipment used for Utility, Oil and for a variety of other industries. One of the biggest obstacles we face is the difficulty in creating international alliances to facilitate the successfully export business in today's highly competitive market. The Trans--Pacific Partnership will open a wide window of opportunities to grow our business and other small businesses, especially in Asian countries.

Barriers to Trade

While my company is interested in expanding internationally, opening up new markets for the Oil Transformer Reclaiming Machinery, our goal remains a challenge. Much of the challenge comes down to tariffs: currently, American-made machinery is taxed as high as 70 percent in TPP member countries. By nearly doubling the cost of our products, these tariffs make it virtually impossible to compete with domestic and manufacturers in those countries, pricing us out of the market.

Benefits of Trans-Pacific Partnership

The recently finalized Trans-Pacific Partnership will strengthen our economy by opening new markets for Texas businesses, farmers, and workers. More specifically, the TPP will eliminate all tariffs on American manufactured products like mine, allowing us to compete in countries where it is currently too costly to do business. Without this agreement, growth opportunities in other countries, especially in the Asia Pacific, will remain out of reach for us.

Conclusion

The TPP will support more trade to help more small businesses like mine compete in the global marketplace and create jobs for Texas workers. It is an increasingly global world, and we simply need these agreements to keep us competitive.

Arkema Inc.

No written summary. Please see EDIS for full submission.

Association of Global Automakers

No written summary. Please see EDIS for full submission.

ASTM International

No written summary. Please see EDIS for full submission.

AZCA, Inc.

Introduction

My company, AZCA, Inc., is a management consulting and investment banking firm that assists companies interested in expanding into Japan and other Asia-Pacific markets. In an increasingly interdependent global economy, many of America's businesses are reassessing their direction and expanding beyond our borders, as 95 percent of the world's customers live outside of the United States. Trade agreements like the Trans-Pacific Partnership (TPP) will reduce barriers to trade, allowing more American companies to increase their exporting to the Pacific Rim nations, thereby creating jobs for American workers and growing our economy.

Barriers to Trade

The challenges businesses face when seeking to do business in a new country depend on the kind of products or services they're exporting. Many of our clients are emerging, high-growth companies in the high-technology sector, including electronics, information technology, environmental technology, and life sciences.

Currently, high tariffs on American-made technology products make it difficult for American businesses to compete with domestic suppliers in Asian markets. For example, IT products are taxed up to 35 percent in TPP member countries, and high-tech instruments are taxed up to 25 percent.

Additionally, every country has different Customs requirements and processes, creating administrative hurdles that can be particularly burdensome for a small business. The more complicated the Customs process is, the more likely something will go wrong, causing a delay at the border and making that supplier a less attractive option for foreign buyers.

Benefits of the Trans-Pacific Partnership

TPP will level the playing field for American companies doing business in the Pacific Rim. The agreement eliminates all tariffs in the member countries on products manufactured in America, including the high-technology products made by my clients. In doing so, TPP will open doors for American businesses into markets they were previously unable to compete in.

Additionally, TPP will harmonize the 12 countries' Customs processes so that America's small businesses won't have to spend the time and administrative costs necessary to ensure compliance in each individual country. The less time our businesses have to spend navigating the intricate web of international trade systems, the more time they can spend selling their products to foreign buyers.

In my state of California, businesses have already seen the benefit of trading in the Pacific Rim. Japan is the United States' fourth largest export market, and California exported $12.2 billion in goods to Japan in 2014. Goods exported from California worldwide have supported over 775,000 U.S. jobs. Trade agreements make it easier to do business abroad and will expand on this success, allowing businesses to create even more jobs.

Conclusion

The more our businesses can export, the more they can create jobs in the United States, growing our economy. TPP will reduce or eliminate 18,000 tariffs and other barriers to trade, opening up new markets to American companies so that they continue contributing to our economic growth.

Bakery, Confectionery, Tobacco Workers and Grain Millers International Union

No written summary. Please see EDIS for full submission.

Barcoding, Inc.

Introduction

I am the CEO of Barcoding, Inc. a $50-million company, headquartered in Baltimore, Maryland with about 70 employees in offices across the country. We design, develop, and deploy software, hardware, and accompanying technologies for automatic identification.

We grease the wheels for U.S. commerce. If you distribute or manufacture products, there's a chance you work with us in a way. Our customers include companies like Dick's Sporting Goods, Enterprise Rent-a-Car, Georgia Pacific, and Toyota.

Barriers to Trade

We are failing to keep up our ability to do business internationally. Every time we do business overseas we experience several challenges, which impede our profitability and make those experiences less desirable than just offering products in the United States. And as a small company, we are learning how these international processes work on the fly— we do not have the resources to manage most of these issues to the depth of large multi-national corporations.

We constantly have products stuck in customs. Many of our customers are manufacturers who have just-in-time operations-we can't afford for items to be late.

The tariffs on our products are complicated and expensive. Whether the customer pays for the tariff or we do, we lose money.

Different countries have different standards for power supplies and wireless technology. These variations are another burden for our small business to overcome.

We are also concerned about intellectual property protections in other countries. We developed a technology jointly with Europeans, but are nervous to show this product to the Chinese, because we have heard horror stories about Chinese businesses stealing U.S. ideas without any repercussions. The effect is we lose the opportunity to reach customers throughout Asia.

Previous Trade Agreement Successes

In our experience, it is easier to do business in countries where the United States has trade agreements in place. For example, it is easiest for us to work in Mexico and Canada, because of NAFTA. We have fewer challenges shipping our products there, largely because U.S. package delivery companies like UPS have clear shipping processes. It should be noted that we typically get money upfront when shipping to Mexico.

Benefits of Trans-Pacific Partnership

The Trans-Pacific Partnership would reduce many of the barriers we face with doing business in Asia Pacific countries, help increase our sales, and hire more workers.

It would fast-track shipping requirements, reduce tariffs, simplify customs and regulations, protect intellectual property, and safeguard intellectual property.

Conclusion

While my company would benefit from doing more work internationally, the sad reality is it is just so much easier to do work domestically.

But the world is changing and increasingly, there are more opportunities for growth outside the United States. It is time our trade policies reflect this reality and make it easier for U.S. businesses, particularly small business, to do business internationally.

Big Apple Coffee Party

To perform a fair assessment of the Trans-Pacific Partnership, the ITC must avoid the analytical pitfalls that assessments of past trade agreements have falling into leading to failed agreements that we are living with. In addition, to fulfill your responsibility, the ITC must consider the impact of increased inequality the TPP would cause both on the poorest Americans and also on society as a whole. The ITC report must discuss the possibility of severe adverse impacts including the risk of financial crises, the worsening of global warming and the adverse effects on our citizens' health. We urge the U.S. International Trade Commission to perform such a fair and comprehensive assessment.

Biotech Innovation Organization

No written summary. Please see EDIS for full submission.

Ms. Nicole Bivens Collinson

The Trans Pacific Partnership (TPP) is hailed as a 21st Century agreement however, one could argue that it is a 22nd Century agreement is what is needed to move trade forward. There are key elements of this agreement that should be applauded yet the traditional way of negotiating agreements has not changed to accommodate modern global supply and value chains. The TPP as a trading bloc will greatly enhance manufacturers' ability to employ a more global supply chain, but it is limited by excluding key free trade partners with which we have existing free trade agreements and in which U.S. companies have invested.

In the textile and apparel sectors specifically, the TPP should be modified to accommodate existing free trade partners that are vital to the value supply chains of apparel manufacturing. The European Union has lead the way for including such accommodations in its most recent free trade agreements and thereby has given its manufacturers an advantage over many U.S. manufacturers in markets where each party has a free trade agreement. The United States needs to adjust its traditional application of the rules of origin established in 1994 with the NAFTA and recognize that over the past twenty five years, manufacturing has developed in these markets. The TPP will pose significant challenges to many U.S. free trade partners that are not a TPP party. We need to recognize the negative impact to key free trade partners and more importantly to U.S. manufacturing that is disadvantaged by excluding vital sourcing options that have developed under the U.S. free trade agreements.

Further, compliance with the TPP will be extremely difficult in many instances. Several of the TPP partners have already admitted that some of the provisions particularly in the textile and apparel chapters are not administrable. These countries have stated that they do not have the experience, expertise, training or knowhow necessary to make some determinations that are set forth in the short supply list. Further, because some of the terminology used in the short supply list is not defined, there is opportunity for much mischief by all parties to use and apply different interpretations. This lack of consistency will impose significant barriers to U.S. companies as they enter these new markets.

While the TPP is useful in linking existing free trade partners Australia, Mexico, Canada, Peru, Chile, and Singapore, it leaves out essential suppliers of the apparel industry such as CAFTA, Colombia, and Israel. During this time of consideration, a focus should be placed on rule of origin accumulation with free trade partners and agreed definitions and applications of compliance in the apparel chapters of the agreement.

Blue Diamond Growers

Blue Diamond Growers supports the TPP agreement. Blue Diamond Growers looks forward to the elimination of all barriers for almonds with the completion of TPP in the countries that are participating in this agreement. It is our belief that the completion of TPP will be beneficial to the California almond industry.

Blue Diamond Growers is a non-profit, farmer-owned, marketing cooperative. It is headquartered in Sacramento, California. It markets almonds for its members. The almonds are grown exclusively in California and are the largest tree crop in the state. Almonds are the number one agricultural export from California with approximately $4.2 billion of almonds exported from California to the world last year.

Blue Diamond Growers is the world's largest processor and marketer of almonds. Blue Diamond Growers exports almonds for the majority of the almond growers in the state of California. The company obtains its supply of almonds from its members/owners and sells them to retail chains and food processing, confectionery and food service companies in nearly 100 nations around the world. More than 40 countries sell Blue Diamond branded products. Almonds are projected to account for about 25 percent of California farm exports alone.

TPP is an important achievement for not only the almond industry, but for agriculture as a whole. The TPP will eliminate tariffs on a vast majority of U.S. agricultural products and all agricultural export subsidies, resulting in better foreign market access and an increase in rural economic activity. The Asian-Pacific region accounts for almost 40 percent of the global GDP, and holds the world's largest agricultural and food market. The creation of the TPP emphasizes the significant opportunities within this region and will allow for future success for the almond industry and Blue Diamond Growers.

Blue Diamond Growers extends a sincere thank you to the United States negotiators whose hard work and dedication provided successful results. Blue Diamond Growers believes the TPP is necessary to ensure the almond and agricultural industries continue to thrive domestically and internationally. Therefore it encourages the approval of the agreement as soon as possible.

TPP will allow for continued expansion of trade that will then result in job creation and growth within the almond industry and, by default, other industries supported by the almond industry. Currently, 30,000 jobs are generated by almond exports alone. Removal of all almond duties imposed would result in increased jobs in the range of 15% to 25%.

Ms. Carol Buller and Mr. Michael Buller

I do NOT want the Trans-Pacific Partnership (TPP) to go into effect. I want it to be cancelled and never implemented.

I am fully aware of the damage that NAFTA has caused the United States, and I am fully aware of the additional damage that TPP would cause to the United States and its citizens.

As a result of the public comment period that ends January 13, 2016, documentation from others has been submitted that documents concerns about the TPP in detail.

Please include me in your count of very concerned citizens who are against the TPP.

Campbell Soup

While Campbell and its subsidiary, Pepperidge Farm, continue to assess the impact of the TPP Agreement on its operations, the company will benefit from the TPP through the elimination of 10 tariff lines in Japan and Vietnam, including Japan's 8.4% tariff on canned soups with meat and Vietnam's 15% tariff on cookies. The agreement will strengthen Campbell's ability to expand into fast-growing markets in Asia by removing both tariff and non-tariff barriers. Elimination of the tariffs maintained by Japan will directly benefit hundreds of U.S. jobs, both at Campbell and its suppliers, including the U.S. farmers and ranchers that support the company's processed food exports.

About Campbell Soup

Campbell was founded in Camden, New Jersey and still has its global headquarters there today, employing over 1,100 full time employees and approximately 500 contractors in Camden. Campbell's portfolio includes retail and food service brands including Campbell's, Pace™, Prego™, Swanson, V8, Pepperidge Farm and Bolthouse Farms. Campbell employs more than 17,000 workers and its products are sold in 120 countries around the world. Pepperidge Farm cookies and crackers are shipped to Asia come from a number of facilities across the country, including Willard, Ohio; Denver, Pennsylvania; Lakeland, Florida; and Richmond, Utah, each of which employs hundreds of workers.

TPP Would Eliminate Japan’s High Tariffs

Despite its high tariffs, Japan is a leading consumer of U.S. cookies, savory snacks, and soups. Specifically, Japan maintains a 7-8.4% tariff on canned soups, 15% tariff on cookies, 13% tariff on Goldfish™, 7.2% tariff on Prego™ and Pace™ sauces, 5.4% tariff on vegetable juice, and 21.3% tariff on tomato juice. These tariffs are among the highest in Asia and among TPP countries. Campbell Soup, Pepperidge Farm, and their suppliers in the U.S. will secure significant benefits by the elimination of these tariffs.

Fewer Barriers to Vietnam’s Growing Market

Vietnam is a growing market within Asia but it’s 15% tariff on cookies, 13% tariff on savory snacks (such as Goldfish™ snack crackers), and 40% tariff on canned soups are significant barriers to U.S. exports. Elimination of these duties would result in meaningful cost savings, which would lead to increased demand and sales in Vietnam for several of the company’s key U.S. exports.

Cange International

Introduction

As the Vice President (and co-owner) of Cange International, Inc., an export management company based in San Diego, California, I am dedicated to establishing and maintaining international distribution networks for US-based small and mid- sized companies.

I firmly believe that the recently finalized Trans-Pacific Partnership will be hugely beneficial for US SME exporters.

Barriers to Trade

Many SMEs find that exporting is too difficult and costly. Having a small number of employees means they don’t have staff solely dedicated to exploring, entering and managing foreign markets in the way larger companies do. Exporting involves a large amount of tasks, including paperwork associated with registrations, approvals, trademarks, licensing, etc. Small companies often do not have staff available to determine the best international market entry strategies or to keep up with changing regulations. Several countries have different standards and tariffs that make trading with them very expensive and time consuming.

Benefits of Trans-Pacific Partnership

The Trans-Pacific Partnership will significantly improve the ability of US SMEs to become actively engaged in international markets. Under the TPP regulations will be streamlined in a number of different categories including safety, labor and environment. These changes will enable SMEs to access new markets in the region more quickly and easily than ever before, enabling them to expand their customer bases, increase their profits and hire more employees.

Conclusion

The TPP will unlock the potential for small businesses which are missing out on growth opportunities. It will increase their competitiveness and ensure that America maintains its leadership in the global economy. Giving small businesses this boost will allow their businesses to grow abroad and boost our economy here at home.

Cargill

Cargill is in full support of the TPP agreement and believes the agreement benefits American farmers, businesses and the overall American economy. The TPP agreement is not only economically significant for the United States – covering nearly 40% of the world's GDP – but it also establishes rules to govern trade and investment issues previously not covered by other trade agreements.

Since its inception Cargill has supported three core principles that are essential to a commercially-meaningful TPP agreement: 1) TPP must include the right subset of Pacific economies (Asian, Latin American, and North American); 2) TPP must be a comprehensive undertaking, meaning all products, all sectors are included; and 3) TPP must address longstanding trade and investment barriers with new solutions. We believe the negotiated agreement upholds these three principles.

To the first principle, the right subset of economies, the U.S. food and agriculture industry exports over 40% of our overall exports to TPP countries. Further opening of these markets will build on our pre-existing trade flows. Exports drive the agriculture industry. In essence, TPP allows the United States to export food security across the region while securing our industry's economic security here at home.

To the second principle, comprehensive undertaking, the TPP agreement covers all agricultural products and all sectors, including the most sensitive ones. The agreement provides greater market access for important export products, such as coarse grain and beef, into markets such as Japan, Vietnam and Malaysia. For example, Japan was the number one destination market for U.S. beef products in 2014, valued at $1.6 billion despite facing a 38.5 percent import tariff on fresh and frozen cuts. Currently, U.S. beef faces a 7 to 10% disadvantage against Australian beef. TPP puts the U.S. industry on par with its Australian competition upon entry into force.

To the third principle, new solutions to trade and investment barriers, Cargill firmly believes trade agreements must include strong, enforceable SPS provisions to achieve meaningful trade liberalization. TPP accomplishes this goal. One example of note is the establishment of cooperative technical consultations (CTC), or "rapid-response mechanism," between countries to address SPS disputes in an expedited manner. CTC provide an additional mechanism for countries to address SPS issues outside of the WTO dispute settlement process and offer a pathway to resolution that occurs in a days or months and not years.

The United States must lock in commercially meaningful trade agreements that allow U.S. producers and manufacturers to compete on a level playing field in the global marketplace. We believe the TPP accomplishes just that – it opens markets to U.S. exports and allow for American farmers and businesses to compete on a level playing field, enhancing food security and consumer choice for both Americans and our TPP trading partners. In summary, Cargill is strongly supportive of the Administration's efforts to conclude the historic TPP negotiations.

Cask LLC

Introduction

My name is George Judd and I am a Vice President at Cask LLC, an economically disadvantaged, woman-owned small business and Small Business Administration Certified 8a in Stafford, Virginia. For more than 10 years, we have provided business and technology management advisory and consulting services to government, public and private organizations both large and small across the United States and around the world.

As a recent graduate of Virginia's Leaders in Export Trade (VALET) mentor program, we have begun our successful journey into the global market.

Barriers to Trade

In doing work internationally, it has been very challenging to understand the cost of doing business; there are many rules and regulations that impact our ability to operate overseas, both U.S. and foreign guidelines. While we don't have some of the same issues U.S. companies exporting tangible goods have, our service exports still face known and some unknown taxes and revenue challenges.

Benefits of the Trans-Pacific Partnership (TPP)

The recently finalized TPP would be immensely helpful as our small business expands the work we do overseas. It would reduce the barriers we've faced, including simplifying complicated regulations through greater transparency.

When I was recently in Vietnam, there was discussion regarding TPP. A lot of people asked us about the agreement and it is clear that we would be able to expand business opportunities if it passes. In addition to easing barriers, the trade agreement will also open up greater lines of communication, so the network of businesses can operate more openly.

Conclusion

In the global twenty-first century, to quote Paddy Ashdown who worked on behalf of the British Government on international issues, "…we must do business with those whom we share common interests, not necessarily common values." Those common interests include sharing best practices, increased management and economic transparency, and support for improved standards of living through technology and infrastructure investments.

Agreements like the TPP create new opportunities for dialogue and the ability to export our services to businesses worldwide. The efforts made to date have opened communications across not just the TPP countries but many others and created an awareness that trade agreements are good for small and large business here in Virginia and across the country.

Trade is critical for Virginia; the Commonwealth of Virginia was founded as a business venture more than 400 years ago. Just last year, the total export merchandise from Virginia was $19.3 billion which supports more than 90,000 jobs in our state. With the Trans Pacific Partnership helping more small businesses like ours open markets and expand internationally, we can expect to see both of these numbers grow tremendously.

Central American-Dominican Republic Apparel and Textile Council

No written summary. Please see EDIS for full submission.

Central American Sugar Association

No written summary. Please see EDIS for full submission.

Citizens Trade Campaign

Citizens Trade Campaign and 2,056 individual supporters submitted written testimony that the Trans-Pacific Partnership (TPP) would make it easier for corporations to offshore American jobs and push down American wages due, among other reasons, to the trading partners in the agreement, investor protections that promote offshoring, weak rules of origin, absent currency safeguards and inadequate labor and environmental provisions.

They specifically urged the International Trade Commission in studying the TPP to (1) avoid unrealistic assumptions in its economic modeling, such as full employment, neutral trade balances and static income inequality; (2) assess how anticipated export gains under the TPP could be wiped out by currency manipulation; (3) take into account how weak rules of origin in the TPP could affect U.S. jobs and wages; and (4) investigate how increased fossil fuel exports could increase energy costs for U.S. producers and consumers.

They also added that the ITC's requirement that 8 hard copies of any testimony be submitted to its Washington, DC office is a barrier to public comment and public participation.

Coalition for a Prosperous America

The Coalition for a Prosperous America is a nonprofit organization representing the shared interests of 2.7 million households through our agricultural, manufacturing and labor members. CPA opposes the TPP because it will reduce economic growth, cause net job destruction, and worsen the US trade balance. CPA favors a national trade policy that pursues an overall balance of trade within a reasonable period of time which is the free market ideal.

We urge the USITC to cease using the computable general equilibrium (CGE) model in its analysis because that model is irrevocably flawed. The model, by its design, rests on a series of core assumptions including (1) full employment, (2) no change to trade balance, (3) no divergence between wages and productivity, (4) equilibrium currency values, and (5) perfectly rational free market behavior by signatory countries rather than strategic behavior. Instead of assuming these as facts, the USITC should test for them.

Instead of assuming "full employment," the Commission should be testing for whether there is likely to be a net job gain or loss. In the real world, full employment is not a consistent phenomenon. Instead of assuming "no change to trade balance," the Commission should recognize that trade balances do change in relation to strategic, non-tariff actions by countries as well as changes in productivity, technological advancement, product quality, supply gluts and many other factors. Instead of assuming "no divergence between wages and productivity," the Commission should acknowledge the history of such divergences over the past forty years.

Instead of assuming "equilibrium currency values," the Commission should recognize that undervaluation (and US dollar overvaluation) has been common and, at times, persistent. Instead of implicitly assuming "perfectly rational free market behavior by signatory countries," the Commission should acknowledge that strategic behavior is common in a world of national interests. Some countries use state-influenced enterprises, industrial policy, tax policy, fiscal policy, regulatory changes, and many non-tariff tactics to nullify and impair any benefits expected from the agreement. A case in point is the lack of increased automotive import penetration in the Japanese market after substantial tariff reductions in the past.

The Commission's report should, at the very least, include analysis of how the results of the CGE model can be invalidated when the assumptions are not true. What happens if currencies are misaligned? What happens if there is no full employment? What happens when wages do not keep up with productivity? The Commission should also utilize the UN Global Policy Model in its analysis to compare and contrast results with any use of the CGE model.

Lastly, the Commission should include an analysis as to why its economic projections as to permanent normalized trade relations status with China and South Korea trade agreement were so drastically in error. Correcting those errors are crucial for policymakers and the public to have confidence in future Commission results.

Coalition of Services Industries

No written summary. Please see EDIS for full submission.

Color Pigments Manufacturers Association, Inc.

No written summary. Please see EDIS for full submission.

Communications Workers of America

The members and officers of the Communications Workers of America (CWA) are deeply concerned about the negative impacts that the Trans-Pacific Partnership (TPP) would have on U.S. employment and wages. The TPP provides robust protections for companies looking to outsource jobs to low-wage, low-standard countries, while failing to provide commensurately strong labor and environmental standards. Instead, the TPP's labor and environmental policies largely replicate the models of past trade agreements that have failed to uphold those standards.

CWA is deeply concerned about provisions in the TPP that would allow large banking firms to challenge basic protections designed to protect the stability of the U.S. financial system. As such, the TPP would increase the likelihood of financial crises in the future and the severity of those crises, thereby harming American jobs and savings.

CWA is also very concerned about the impacts of the TPP on U.S. call center and manufacturing workers. The TPP's Investment, Government Procurement, and Electronic Commerce Chapters provide call center companies with substantial incentives to shift work to other TPP countries with lower wages and fewer worker protections than the U.S. has. Meanwhile, the complete absence of provisions to combat currency manipulation and the exceedingly weak provisions on state-owned enterprises in the TPP will allow other TPP nations to utilize non-tariff barriers to keep out American-manufactured products at the same time that they gain easier access to the U.S. market. As such, the TPP is likely to have strong negative impacts on U.S. work in these sectors.

The last two decades have provided ample evidence that assumptions of permanent full employment are not reflective of reality, thus leading to the ITC's failure to accurately predict the hugely negative impacts of past trade agreements on American working people. The ITC should take consideration of the past two decades of evidence, which shows that the trade model upon which the TPP is built is a complete failure for our middle class.

While the TPP would likely increase the profits of large multinational corporations, it would put significant downward pressure on the wages of working people in the U.S. Over 2,600 of CWA's members have also raised their own individual concerns about the TPP's negative impacts on their own jobs and wages, which can be found at http://go.cwa.net/usitc-comments.

Connect + Trade LLC

No written summary. Please see EDIS for full submission.

Copyright Alliance

No written summary. Please see EDIS for full submission.

Cummins Inc.

No written summary. Please see EDIS for full submission.

Mr. Richard O. Cunningham

Mr. Cunningham is Senior International Trade Partner at the Washington-based law firm of Steptoe & Johnson LLP. He also serves as Chairman of the Cordell Hull Institute.

Mr. Cunningham argued that TPP differs from previous FTAs in two important ways that raise additional issues that should be considered in the Commission's analysis:

First, TPP is by far the largest regional FTA ever negotiated. It will therefore create a regional area that will stimulate trade flows among TPP members, but will also divert trade away from non-members.

Second, TPP is not just a trade agreement. Equally if not more important, it will create a very large area that will be hospitable to investment by companies for the purpose of establishing and maintaining global value chains. By the same token, it will divert investment away from non-member countries.

Because of these characteristics, TPP will have important consequences for future U.S. economic interests that go far beyond the immediate effect on U.S. exports, imports and investment.

Impact of TPP on U.S. Trade with Non-Member Countries

While TPP includes countries representing some 40% of current world GDP, it does not include - and likely will not expand to include - countries that represent a majority of the world's population and that are forecast to produce a substantial majority of growth in global demand. That list includes China, India, Russia, Central Asia (the "Stans"), the Middle East, Mercosur, South Africa and the rest of sub-Saharan Africa.

Many of these countries have reacted to TPP (and TTIP) with intense hostility, seeing it as a move away from the developing world's trade agenda as embodied in the Doha Round.

Moreover, the most significant of these countries would experience insuperable difficulty in obtaining ratification. Congressional acceptance of joinder, by China, India, Russia, etc. is simply not in the cards in the foreseeable future.

Mr. Cunningham urged the Commission to consider the likely economic impact of a deterioration of U.S. trade and investment relationships with these non-member nations. In particular, the Commission should assess the likelihood and impact of a "balkanization" of trade as countries turn to other, competing trade initiatives, as China is doing with the RCEP, the "New Silk Road," etc.

Impact of TPP on the World Trade Organization

Since World War II, the United States has led the GATT/WTO process of multilateral trade negotiations. The U.S. turn away from multilateral negotiations—of which TPP (along with TTIP) is the major embodiment—has widened an already-existing gap between developed and developing country WTO Members. The recent Nairobi Ministerial illustrated the effect of that schism on the WTO's negotiating function. The Commission should consider in its TPP assessment the prospects—or lack thereof—for resuscitation of the WTO and of multilateralism, together with the economic consequences for the United States.

Dart Global Logistics

Introduction

My company, Dart Global Logistics, offers international and domestic transportation and supply chain compliance management services for importers and exporters.

Our core strength is in Far East and subcontinental trade lanes. We are particularly interested in expanding our export operations. Our organization currently generates 85% of its profits from import activities and 15% from exports. Our two-year objective is to increase our growth in export handling.

Having worked in the freight industry over 20 years, I have seen how international trade agreements open new markets to American-made products, allowing American companies to create more jobs and contribute to our country's economic growth. The Trans-Pacific Partnership (TPP) will similarly help America's businesses increase their exports.

Success of Past Trade Agreements

When we pass trade agreements, we open up new markets to allow more U.S. exports. After the passage of the North American Free Trade Agreement (NAFTA), we saw more activity in Mexico than we had in the past. There remains a great deal of potential for increased U.S. exports to Mexico because of lower tariffs and the reduction of other, non-tariff barriers. TPP will build upon this success by extending favorable trade policies to more countries.

Barriers to Trade

Labor standards in the U.S. are some of the highest in the world. Unfortunately, labor standards are much lower in many of the TPP member countries. This is both a human rights issue and an economic issue: right now, firms operating in those countries can make their products more cheaply due to these lower standards, passing those savings on to the customer and making it difficult for American businesses to compete.

Additionally, every country has different Customs requirements and processes, and it can be difficult to know every aspect of each country's processes. Occasionally, our shipment will get stuck in Customs at its destination, delaying delivery to our customer. The more complicated the Customs process is, the more likely something will go wrong, causing a delay and making us a less attractive option for foreign buyers.

Potential Benefits of TPP

TPP will level the playing field for American businesses. By establishing strong labor standards in the Pacific Rim – from eliminating forced labor and child labor, to establishing minimum wage and employment discrimination laws – it will ensure domestic companies in those markets aren't gaining an unfair advantage against U.S. companies at their workers' expense.

Additionally, TPP will harmonize the Customs processes so that America's small businesses won't have to spend the time and administrative costs ensuring compliance with each individual country's own process. The less time our businesses have to spend navigating complex international trade systems, the more time they can spend selling their products to foreign buyers.

Conclusion

The more our businesses can export, the more they can create jobs in the U.S. TPP will reduce barriers to trade, opening up new markets and allowing businesses to contribute to our economic growth.

Distilled Spirits Council of the United States

No written summary. Please see EDIS for full submission.

Doctors Without Borders

Doctors Without Borders/ Médecins Sans Frontières (MSF) has provided oral testimony and a written submission regarding the negative impact that the Trans-Pacific Partnership (TPP) will have on access to affordable medicines and biomedical innovation.

MSF is an international independent humanitarian organization that provides medical assistance in over 60 countries, in need of both affordable access to and innovation for medical technologies.

Competition has a proven record as a critical tool to lower drug prices and help deliver effective medical care. Intellectual property trade obligations and other protections for pharmaceutical companies that limit price-lowering generic competition are driving up drug prices.

The TPP puts in place far-reaching new government obligations that lengthen, strengthen and broaden patents and other pharmaceutical monopolies. The effect will be to further delay access to generic medicines beyond current requirements of international trade law. The provisions also undermine public health safeguards that governments and others have to promote access to medicines and limit abuse. The TPP represent a departure from previous U.S. global health commitments towards developing countries, including the 2007 New Trade Policy or May 10th Deal.

Unless is modified, the TPP will exacerbate the global crisis of high drug prices. For example, the TPP will not allow national regulatory authorities to use existing clinical data demonstrating a pharmaceutical product’s safety and efficacy to authorize the sale of competitor products, even in the absence of patents. The additional monopoly protection provided for biologic drugs and vaccines will keep already very expensive products out of the hands of millions. The TPP would also force governments to extend existing patent monopolies beyond current 20-year terms at the request of pharmaceutical companies, and to redefine what type of medicine deserves a patent, including mandating the granting of new patents for modifications of existing medicines.

The TPP also fails to address the urgent need for reform in the biomedical innovation system. The sole reliance on high medicine prices, backed by exclusivities and monopolies, is a flawed paradigm for funding innovation. This leads to unaffordable prices while failing to stimulate innovation for diseases where patients have limited purchasing power like neglected tropical diseases or where drugs have to be used sparsely like antibiotics.

The negative impact of the TPP on public health will be felt for years to come, and will not be limited to the 800 million people in the current 12 TPP countries. It is a dangerous blueprint for future agreements and aims at being a standard-setting agreement and to create new global trade norms. Instead of doubling down on a broken model, the U.S. Government should collaborate with other governments to introduce new approaches that promote both innovation and access.

It isn’t too late to prevent the further restrictions on access to affordable medicines that would be created through the TPP. MSF urges the United States government to protect the right to health of millions of people that will be negatively impacted if the TPP is approved in its current form. The TPP should be modified or rejected.

Dow Chemical Company

No written summary. Please see EDIS for full submission.

Emergency Committee for American Trade

These comments on the Trans-Pacific Partnership Agreement (TPP) are submitted on behalf of the Emergency Committee for American Trade (ECAT), an association of the chief executives of leading U.S. business enterprises with global operations. Recognizing the importance of the

Asia-Pacific region to the U.S. economy, as well as the many existing trade barriers in the region, ECAT worked vigorously before and during the TPP negotiations to promote the negotiation of a comprehensive, high-standard and commercially meaningful agreement that would create new trade and investment opportunities for U.S. companies, farmers, workers and their families.

ECAT has extensively reviewed the draft text of the TPP. ECAT finds that, while there is room for improvement, the TPP will advance U.S. global competitiveness in the Asia-Pacific region and set in place modernized rules for the benefit of many industries and their workers in the United States. As detailed further in our written submission, the TPP will (i) increase market access for U.S. agriculture products, while requiring science-based risk assessment to improve sanitary standards and reduce non-tariff barriers to agriculture trade; (ii) reduce discriminatory tariffs and non-tariff barriers throughout the region, including elimination of tariffs on qualifying industrial goods and textiles exports; (iii) create new, high-standard commitments which will address long-standing trade concerns for services companies on a cross-sectoral basis and will increase market access opportunities for many services companies; (iv) provide new standards in electronic commerce that will promote innovation, while protecting consumers, including important commitments regarding the free flow of data; (v) provide strong provisions on protection for U.S. investments in the TPP region, similar to the high standards found in U.S. law and practice for domestic investors in the United States; (vi) provide strong provisions for the protection of patents, trademarks, copyrights and trade secrets, including improved provisions on enforcement; (vii) provide provisions to streamline and simplify the movement and release of goods across borders and to provide much-needed business predictability on the treatment of goods at the border; (viii) provide stricter controls for state-owned enterprises; and (ix) promote regulatory transparency and cooperation to help address barriers imposed by inconsistent regulatory regimes. At the same time, ECAT recognizes that the TPP does not address all of the issues sought by ECAT or the broader business community. ECAT urges the Administration to work with U.S. Congress and with the 11 TPP partner countries to strengthen the agreement further, thereby expanding support for this important agreement. ECAT supports passage of the TPP by the U.S. Congress and looks forward to working with the Administration and members of Congress towards accomplishing this goal as soon as possible.

Economic Policy Institute

Currency manipulation distorts trade flows by artificially lowering the cost of U.S. imports and raising the cost of U.S. exports, and is the leading cause of stubbornly high U.S. trade deficits over the past 15 years. More than 20 countries, led by China, have, together, been spending about $1 trillion per year buying foreign assets to artificially suppress the value of their currencies. Several members of the proposed Trans-Pacific Partnership (TPP)—including Japan, Malaysia, and Singapore—are well known currency manipulators, and others—including South Korea, Taiwan, and China—have expressed interest in joining the agreement.

Despite widespread calls from a majority of members of both houses of Congress, and many economists, the TPP includes no enforceable disciplines on currency manipulation. This has important implications for how the Commission should evaluate the likely impact of the TPP. Key recommendations and conclusions of this analysis are:

- Currency Manipulation can nullify the benefits of the TPP. The Commission should develop a range of estimates of the costs and benefits of the TPP under different levels of currency manipulation.
- Purchases and holdings of foreign exchange reserves (broadly defined) will have a direct impact on exchange rates and trade flows in the TPP.
- China is the world's largest currency manipulator, which can affect trade in the TPP in at least two ways. First, as a result of relatively weak rules of origin, the U.S. and other countries are vulnerable to increased imports from China through the TPP. Second, currency manipulation by China can influence other TPP members to adjust or manipulate the value of their currencies, in order to remain competitive with China, and thereby nullify some or all of the benefits of the TPP to the United States.
- Japan is also an important currency manipulator, which is the leading cause of the U.S. trade deficit with Japan, which displaced 896,600 U.S. jobs in 2013.
- Models used by the Commission staff to evaluate the effects of past free trade agreements, which assume full employment, cannot be used to evaluate the potential demand shifting effects of currency manipulation on the members of the TPP.
- Even if the TPP were a true free trade agreement it would likely be hard on non-college educated American workers who make up more than two-thirds of the U.S. labor force. Therefore, Commission staff should carefully evaluate the winners and losers from the TPP. Growing trade with low wage countries is one of the leading causes of the increase in U.S. income inequality. The TPP is likely to reinforce these trends.
- The TPP isn't principally about free trade, it's about providing increased protection for intellectual property rights for pharmaceutical makers, software vendors and others, and stronger property rights for foreign investors, which encourages outsourcing, job loss and the decline in labor's share of national income.
- Finally, the TPP will likely result in growing trade deficits, trade-related job losses and downward pressure on the wages of the majority of U.S. workers.

Electronic Frontier Foundation

No written summary. Please see EDIS for full submission.

Entertainment Software Association

No written summary. Please see EDIS for full submission.

Farm and Ranch Freedom Alliance

The Farm and Ranch Freedom Alliance (FARFA) is a national nonprofit that represents independent farmers and ranchers, as well as consumers who support local food systems. FARFA opposes the TPP because it undermines American sovereignty while hurting both farmers and consumers.

First, the TPP poses a serious threat to our sovereignty due to the Investor-State Dispute Settlement (ISDS) provisions. The TPP vastly increases the number of foreign entities who can bring an ISDS challenge to American laws, at a time when we are seeing a significantly increased use of ISDS challenges as compared with previous decades. The combination makes the TPP a significant threat to Americans' ability to effectively determine our own laws.

Second, the TPP offers few benefits to farmers. Large corporations will be able to source raw ingredients, such as wheat, cattle, milk powder, wherever they are cheapest. Rather than promoting American agriculture, this will pit American farmers against farmers in other countries in a race to the bottom on prices. This has already occurred to some degree under previous free trade agreements, and the TPP will accelerate the problem.

Third, consumers will be actively harmed by the threat to our food safety standards. The food safety standards for several TPP countries are significantly lower than those in the U.S., particularly with respect to what drugs and antibiotics may be used. The FDA currently inspects only a small fraction of imported food shipments. And under the TPP, foreign companies would be allowed to challenge our food safety inspectors, further undermining our food safety system. In addition, the ability to challenge restrictions on antibiotics under the SPS provisions could accelerate the spread of antibiotic-resistant bacteria. This threatens to undermine one of the major medical advances of the 20th century.

Fourth, the TPP prevents our government from using our own tax dollars to promote American business, by giving companies in any TPP country equal access to U.S. government procurement contracts. While this initially only covers federal procurement policy, the TPP countries are required to negotiate to expand it to the state and local levels. This could destroy popular programs that benefit both consumers and farmers, such as buying local food for our schools.

Fifth, the TPP provisions for on genetic engineering harm both farmers and consumers. By allowing biotech companies to challenge laws that require testing for contamination or a meaningful pre-approval process, the TPP threatens farmers raising non-GMO crops in response to consumer demand. Biotech companies will also be able to challenge popular, consumer-driven laws for GMO labeling; domestic laws such as those of Vermont could be challenged in international tribunals rather than being judged by the standards of the U.S. Constitution in U.S. courts.

Footwear Distribution and Retailers of America

No written summary. Please see EDIS for full submission.

Fonterra (USA), Inc.

The Trans-Pacific Partnership Agreement ('TPP") achieves some notable success in adopting sanitary and phytosanitary provisions stronger than those currently applicable under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, and in addressing as an intellectual property issue the question of the use and protection of geographical indications. However, with respect to dairy market access it falls well short of the desired outcome of a comprehensive agreement with major market-opening opportunities. As such, Fonterra shares the disappointment in the market access outcomes expressed by the U.S. Dairy Export Council and the National Milk Producers Federation ("USDEC/NMPF") in their joint statement before the Commission. However, we believe that the analytical metrics suggested in the USDEC/NMPF submission - essentially a zero sum analysis - does not account for the full dynamics of trade agreement outcomes and consequently the potential benefits that TPP holds for the US dairy industry. Those benefits can only be understood in the context of the US dairy industry's competitive position vis-a-vie the other dairy exporting countries in the TPP, namely Australia and New Zealand.

Similarly, while we agree that highly aggregated economic models are not well suited to the evaluation of TPP's dairy trade impacts, we also believe that it is not possible to capture the impacts of reduced trade barriers with static models that attempt a high level of detail and product specificity. Thus, we ask that the Commission adopt an analytical framework that captures the flexibility of dairy producers to move production within certain product (e.g. cheese) or component (e.g. milkfat) categories, particularly over the timeframe of the TPP's implementation period, and considers the relative ability of supplying countries to respond to increased market access opportunities.

Fujifilm SonoSite

Introduction

Our company, SonoSite, is a manufacturer of ultrasound systems. Our portable ultrasound equipment have proven to be an important tool for healthcare providers who need a practical way to diagnose health problems in hard-to-reach areas. The Trans-Pacific Partnership would help our high-quality medical equipment reach healthcare providers and patients all over the world.

Barriers to Trade

It is challenging for us to sell our life-saving medical products in countries that have high tariffs and complicated customs procedures. There are lot of risks and uncertainties when it comes to exporting products to foreign markets, especially when it comes to the safety and efficacy of the equipment.

Benefits to Trade

The Trans-Pacific Partnership (TPP) would encourage companies to innovate and manufacture in the United States by diminishing the risks and uncertainties that come with exporting products to foreign markets, while at the same time ensuring high standards of the equipment. By eliminating all tariffs on products manufactured in the U.S., the TPP would make a significant impact on our ability to trade with our countries by lowering tariffs. It further streamlines the regulatory process for doing business in member countries, thereby reducing delays and the administrative costs associated with entering new markets.

Conclusion

Increased international trade will help bring higher-quality medical equipment within the reach of healthcare providers in countries where health budgets are constantly strained. Moreover, the trade agreement would create more opportunities for our business and all Puget Sound businesses, big and small.

GAP, Inc.

No written summary. Please see EDIS for full submission.

General Electric Company

No written summary. Please see EDIS for full submission.

Global Fruition Inc.

Introduction

My company, Global Fruition Inc., supports California's export powerhouse. We help growers directly export U.S. produce to top supermarkets in Central America, Asia, and the Middle East, as well as to importers and wholesalers from around the world. We are burdened by high tariffs, but the Trans-Pacific Partnership would ensure an even playing field.

Barriers to Trade

High tariffs put my business at a disadvantage when it comes to competing with countries like China, because China negotiates zero tariff import duties with other Asian countries. Fresh fruit from the U.S., meanwhile, faces tariffs as high as 40% in some TPP member countries. As a result, American farmers are losing ground to China's farmers. I used to ship 400 containers of grapes into Asia annually, but China has taken a majority of that business because they have zero tariffs.

Benefits to Trade

The TPP would help open up new markets to exports by reducing tariffs and other trade barriers and establishing common, enforceable standards and protection for U.S. companies. This trade agreement would help keep us competitive in international markets and create jobs here in California and across the country.

Conclusion

Small businesses make up 96 percent of all of California's exporters. The TPP will lower barriers to international trade, enabling my company and others to export more California-grown produce abroad, remain competitive in the global market, generate jobs, and expand more at home.

Graymills Corporation

Introduction

My company, Graymills, builds specialized parts for printing presses. We are a small manufacturing firm, but there is a high demand for our pumps around the world.

International trade is thus especially important to our business. Our success as a company depends on our ability to export our product.

Barriers to Trade

Currently, non-tariff barriers pose a significant problem for small companies like mine. For instance, industrial safety standards, part of the certification process for our products, vary in each new market we sell to, for instance CE, UL, CSA, and ATEX. Meeting each new standard costs us valuable time and resources, making it difficult – at times prohibitively so – for us to enter new markets.

Benefits of Trans-Pacific Partnership

International trade helps small exporters like my business enter new markets, making our economy more competitive and allowing us to create new, good-paying jobs, just as we've been able to do at Graymills. By streamlining certification processes across member countries, the Trans-Pacific Partnership (TPP) will enable us to compete overseas and grow our business.

Conclusion

My business's success depends on strong trade agreements that make doing business in other countries easier. TPP will have a significant and positive effect on the American economy by allowing small businesses like mine to enter new markets, increasing our exports and creating jobs here in America.

Ms. Lynn Haiducek and Mr. Robert Haiducek

I do NOT want the Trans-Pacific Partnership (TPP) to go into effect. I want it to be cancelled and never implemented.

I am fully aware of the damage that NAFTA has caused the United States, and I am fully aware of the additional damage that TPP would cause to the United States and its citizens.

As a result of the public comment period that ends January 13, 2016, documentation from others has been submitted that documents concerns about the TPP in detail.

Please include me in your count of very concerned citizens who are against the TPP.

Halosil International

Introduction

My company, Halosil International, manufactures a specialty chemical used as a disinfectant and biocide to kill deadly germs. We are a small company, but a global one. There's a strong need for products to control infections overseas, so international trade is extremely important to us. Our success as a company depends on our ability to export our product.

Currently, we do business here in the U.S. and with Europe, the Middle East, Ivory Coast, China, Mexico, Panama and Colombia, and our global operations are always expanding. We hope to start exporting soon to Chile, Peru, Australia, New Zealand, Vietnam and Brunei – all member countries of the new trade agreement.

Barriers to Trade

Currently, the cost of doing business in most of the aforementioned countries is too high. Tariffs on our product make it artificially cheaper for buyers to purchase from domestic suppliers or from countries with whom they have a free trade agreement. Without those tariffs, we'd be more able to compete in those markets – and win.

Moreover, we work in a regulated market. Foreign countries' sanitary authorities have similar regulations to those the Environmental Protection Agency has on our product here, but there are still a lot of additional rules and registration procedures that make it difficult for us to enter those markets. For a small company where everyone wears many hats, wading through the mountains of regulation and paperwork can add months to the export process and add to our administrative costs.

Benefits of Trans-Pacific Partnership

International trade helps American businesses grow and create jobs. The recently finalized Trans-Pacific Partnership (TPP) would help companies like mine enter new markets and grow the Delaware economy, benefiting us all.

TPP will reduce tariffs on products manufactured in America, allowing us to be price-competitive in countries that currently tax us out of the market. It will also standardize the Customs and registration processes across member countries, reducing the delays and administrative costs associated with overly burdensome regulation.

Success of Previous Trade Agreements

My company has already seen how trade agreements make it easier for American companies to do business abroad. My company can export to Mexico because of the North American Free Trade Agreement (NAFTA), which reduced tariffs on our product in that country. TPP will expand those benefits to other Pacific Rim countries, allowing us to continue to grow our business and create jobs.

Conclusion

My business, and many others like it in Delaware and across the country, depends on trade agreements to level the playing field for American businesses. TPP will have a positive effect on the American economy by allowing businesses like mine to enter new markets, increasing our exports and creating jobs here in the U.S.

Herbalife Nutrition

No written summary. Please see EDIS for full submission.

HERO Assemblers

Introduction

I am the owner and manager of two tier-one suppliers to the Toyota Tundra and Tacoma assembly plant in San Antonio. We provide an assembly process service, mounting the wheels and tires. Toyota is our one customer. The 47 employees at our plant build all of the Tundras and most of the Tacomas in the United States. After the products leave our plant, they are put onto the bigger Toyota assembly line.

Being part of an international supply chain, I understand the value of reducing barriers to international trade. The Trans-Pacific Partnership will facilitate more global commerce and support more small businesses like mine.

Opportunities with International Trade

Our business would benefit from increasing international trade flows, particularly between the United States and the Asia Pacific. While almost all of the cars we contribute to are sold to the United States, some are sold to Mexico and South America. The Trans-Pacific Partnership would reduce barriers and help sell more cars around the world. Selling more cars will help me hire more workers here in San Antonio.

Conclusion

My assembly plant is a great example of the way that small businesses benefit from broader shifts in the dynamic world economy. As the Trans-Pacific Partnership helps the United States compete with countries around the world, the positive effects will ripple throughout supply chains.

When you watch the news, you often see examples of larger companies who benefit from increasing international trade. When you see that, remember the 47 employees I have in San

Antonio who are an essential part of a global supply chain. What's good for international trade is good for smaller companies like mine across the country and good for the U.S. economy.

High Impact Technology

Introduction

At High Impact Technology, LLC (HIT) we design proven, engineered solutions, including ballistic coatings for fuel tanks and armored kits for vehicles. Our customers are primarily military and law enforcement.

Over the last 12 years, HIT has taken great pride knowing that our solutions and products are protecting the men and women of the United States Armed Forces. Of our 40 employees, many are veterans.

Increasing international trade would help us continue to employ these hard working, creative, and team-focused people.

Benefits of International Trade

Selling our products internationally helps keep our revenue streams more stable, and that's important for keeping our business operating smoothly. When military and law enforcement budgets might be down in one country, they could be up in another.

About 30 percent of our sales are international. More than half of our employees work on the international side of the business. Because of our international sales, we've been able to retain more employees and our suppliers have been able to hire and retain more than 150 workers.

HIT has sold products to Germany, Canada, United Kingdom, and South Africa. We are in the process of expanding to Poland, Singapore, and the United Arab Emirates.

Our company has already benefitted greatly from the U.S. government's export assistance programs, including the U.S. Commercial Service, local Export Assistance Centers, and the STEP grant. It's time to make it even easier for small businesses like ours to take advantage of international trade by creating a more level playing field.

Barriers to International Trade

We have several significant barriers we must overcome to do business in other countries, including high tariffs and intellectual property violations. Sometimes tariffs from other countries can be as high as 30 percent on our products, and that's very onerous on our small business. We also fear patent infringement in some Asian countries that have weaker intellectual property protections than we hold in the United States. We have put significant efforts into developing our innovative protective products and we do not want others to steal our innovations.

The Trans-Pacific Partnership would give our small business the weight and authority of the United States government when it comes to managing challenges in the Asia Pacific. It would reduce tariffs, protect intellectual property and facilitate our success abroad.

Conclusion

We believe America's true strength is our innovative spirit and hard work. By exporting our innovative products abroad, we are better able to compete in the global economy. U.S. small businesses like ours have the potential to expand around the world; we just need a more level playing field. The Trans-Pacific Partnership would help stabilize our sales and provide transparency to build a cross-ocean conduit for our goods and services to help us build a better future.

IBM Corporation

No written summary. Please see EDIS for full submission.

Ideal Taxes

Our testimony is divided into two parts: (1) the effect of TPP upon congressional authority and (2) the effect of TPP upon American power. With regard to congressional authority, we simply quote the agreement itself to establish that TPP could allow a President to negotiate Multilateral Environmental Agreements, and then with the consent of the TPP Commission, but not the consent of Congress, bind the U.S. to those commitments. With regard to American power, we cite our own research which has found a strong relationship between trade balances and global power. Countries with trade surpluses tend to gain in global power, while countries with trade deficits tend to lose power. TPP enables currency manipulation, the chief mechanism already being used by several TPP countries in order to run trade surpluses with the United States. As a result, it will likely increase U.S. trade deficits and cause a long-term decline in U.S. global power.

Industrial Cooling Solutions

No written summary. Please see EDIS for full submission.

Industrial Energy Consumers of America

The Trans-Pacific Partnership Agreement (TPP) would pave the way for all DOE approved LNG export applications to ship to TPP countries, and would result in substantial LNG export volumes to Asia.

Excessive LNG exports are not in the public interest and will significantly damage U.S. manufacturing, which competes with Asian competitors.

A DOE report "The Macroeconomic Impact of Increasing U.S. LNG Exports,"[1230] states that "in every case, greater LNG exports raise domestic prices and lower prices internationally.

The report says that LNG exports increasing from 12 to 20 Bcf/d during 2026 and 2040, reduces prices in the Asian-Pacific market by 73 cents per million Btu, while increasing U.S. prices by 15 cents per million Btu – a combined net negative impact to competitiveness of 88 cents, or a 40 % increase, as compared to current prices. These costs do not include the impact of increasing LNG exports from 0 to 12 Bcf/d.

Natural gas is not a renewable resource and LNG exports significantly accelerate the consumption of U.S. low-cost natural gas.

The DOE has approved 14 Bcf/d for exports to countries without a free trade agreement. Looking at figure B7 of the DOE report entitled, "Shale Breakeven Curves for North America by Country," cumulative demand of 14 Bcf/d of LNG exports, plus domestic demand in 2040 would consume 799.15 Tcf of gas. Demand at this level would consume all low-cost natural gas under $9.00 per mcf. Today's Henry Hub price is safely under $3.00 mcf. The point is very clear that the TPP would have a significant increase to domestic natural gas prices.

A DOE/NERA report, "The Macroeconomic Impacts of LNG Export from the United States,"[1231] describes how "households with income solely from wages or transfers, in particular, will not participate in these benefits." It goes on to explain how "[h]igher natural gas prices can also be expected to have negative effects on output and employment, particularly in sectors that make intensive use of natural gas."

Even more startling is the meager so-called "net economic gain" under any of the scenarios. NERA projects only a net $10 billion net economic gain in 2015 and a $20 billion net gain in 2020, but this declines going forward. Given the size of the $16.7 trillion U.S. economy, a $20 billion gain is less than one hour of GDP work, an insignificant economic gain. The most recent

[1230] "The Macroeconomic Impact of Increasing U.S. LNG Exports," U.S. Department of Energy, October 29, 2015, http://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf.
[1231] "Macroeconomic Impacts of LNG Export from the United States," NERA Economic Consulting, December 3, 2012, http://energy.gov/sites/prod/files/2013/04/f0/nera-lng-report.pdf.

DOE study forecasts an even smaller economic gain of between $7-20 billion annually from 2026 to 2040.

A study by Charles River Associates[1232] illustrates that consuming natural gas in the manufacturing sector increases GDP by two times and increases eight times more jobs versus exporting natural gas.

Information Technology Industry Council

No written summary. Please see EDIS for full submission.

Institute for Agriculture and Trade Policy

The U.S. agricultural trade performance of so called "Free Trade Agreements" (FTAs) since 1994 has been anemic. A recent review of six FTAs puts their collective agricultural trade deficit at $1.6 billion. U.S. agricultural exports have not delivered prosperity to farmers and ranchers. Instead, they depend Farm Bill subsidies to survive, e.g. a Congressional Budget Office FY 2017 projected $3.37 billion to compensate corn and soybean farmers for market price failure.

The Commission should not discount agricultural trade data that lead to a negative evaluation of the Trans-Pacific Partnership Agreement (TPP). TPP agribusiness advocates extol projected export increases while asking the Commission to model tariff-line specific import impacts. The Institute for Agriculture and Trade Policy (IATP) requests the Commission to use current methodologies for evaluating the agri-environmental, social and labor cost impacts of trade liberalization in the TPP. We urge the Commission not to externalize TPP agriculture input and food trade-related costs, particularly in sectors, such as dairy, where imports are redundant to the huge surplus in U.S. and global dairy production.

The Commission also should also evaluate U.S. regulatory capacity and resources to manage safely agricultural trade derived not just from current technologies, but from emerging technologies, such as agri-nanotechnology and synthetic biology. The terms of the TPP chapter on Sanitary and Phytosanitary Measures (SPS), weak U.S. capacity to manage TPP trade safely and the consequences of that diminished capacity is the focus of the following analysis.

[1232] "US Manufacturing and LNG Exports," Charles River Associates, February 25, 2013, http://www.crai.com/sites/default/files/publications/CRA_LNG_Study.pdf.

Intel Corporation

No written summary. Please see EDIS for full submission.

International Association of Machinists and Aerospace Workers

No written summary. Please see EDIS for full submission.

International Brotherhood of Teamsters

Six years ago, in response to a request from the USTR (74 Fed Reg 66720), the Teamsters filed Comments in which we described the conditions for our support of a final Trans-Pacific Partnership. Now that the pact is finally published and recently signed, we can compare it to those criteria.

We called for a TPP that rewards the work that creates wealth, with real protections for our workers and our planet – an agreement that is free and fair for all. Unfortunately, the TPP does not meet this fundamental policy goal. If the Commission utilizes a realistic macroeconomic model – like the Global Policy Model preferred by the United Nations – to predict the socioeconomic effects of the TPP, your Final Report will reveal that the deal will exacerbate income inequality in the U.S. A recent report by the Global Development and Environment Institute at Tufts University anticipates that labor's share of national income – the fundamental metric of income inequality – will decrease 1.31 percent over ten years. The Teamsters cannot support another trade deal that continues a trend of growing inequality.

In our original Comments, we insisted on a TPP with binding obligations to protect the right to collective bargaining and other core labor standards recognized by the International Labor Organization. Sadly, the TPP fails to sufficiently advance labor rights and offers only false promises of progress. Our Comments specified eight ILO Conventions that we suggested should be explicitly incorporated into the TPP, but to no avail. Furthermore, the Labor Chapter repeatedly includes aspirational terms such as 'may', 'endeavor' and 'as appropriate'. The impact of those terms, combined with the wholly discretionary nature of the enforcement provisions is clear - countries will have to do little, if anything, to comply with the commitments of the Labor Chapter.

Six years ago, we hoped for a TPP that would not grant foreign investors any rights in the U.S. greater than those of Americans, but the final agreement dashed that hope. The Investment Chapter disadvantages Teamster employers – many of them small and medium sized companies- that only manufacture in the U.S. because they will have no rights under, nor access to, the investor-state (ISDS) mechanism that is reserved for their TPP competitors and foreign investors. Furthermore, this aspect of the Investment Chapter makes it more attractive for larger manufacturing companies to send production and investment to other TPP countries, where the additional legal protections of ISDS would obtain.

On the Labor Advisory Committee and the Advisory Committee on Trade Policy and Negotiations, our General President has called for enforceable disciplines against currency manipulation in the core text of the TPP, a demand that we share with bi-partisan majorities on both sides of Capitol Hill. Fatally, as with the ILO core labor Conventions, the final agreement is missing a key component that could make it work for working families. The Commission cannot ignore these basic flaws in the TPP pact, and should describe the damage that it could do to the American middle class.

International Dairy Foods Association

No written summary. Please see EDIS for full submission.

International Institute for Guided-Image Radio Therapy

Introduction

My company, the International Institute for Image-Guided Radio Therapy (IIGRT), works in emerging markets to bring in new technologies to treat cancer patients. Our success as a company depends on our ability to export our product.

My business is expanding every day, and we’re currently interested in exporting to Vietnam and Chile, two countries that are members of the Trans-Pacific Partnership (TPP). These countries represent enormous market opportunities, but we currently face a number of challenges whenever we enter new markets.

Barriers to Trade

Right now, the tariffs on the kinds of technologies we export are very high – as high as 30 percent or more. This puts us at a competitive disadvantage against those countries’ domestic suppliers, pricing us out of the market. There are a myriad of regulations to follow when we ship our products to those countries. Every country has its own regulations and customs processes for different parts of our equipment, so it can take weeks for our products to clear customs. These delays and other hurdles are a real impediment to trade.

Benefits to Trade

The recently negotiated TPP would help reduce those barriers, making it financially feasible for us to enter those markets. Under TPP, tariffs on all products manufactured in the U.S. would fall to zero. This eliminates tariffs and dramatically increases high-tech U.S. exports to those regions, sustaining or creating tens of thousands of jobs across the U.S. manufacturing sector.

Success of Previous Trade Agreements

The U.S.-Korea Free Trade Agreement has made it easier for companies we supply parts for to export to Korea, which is a big market for our medical equipment. TPP will similarly help us export more than ever before to countries like Japan, Malaysia, and New Zealand where demand for U.S. products is increasing.

Conclusion

The future of the U.S. economy is global. With 95 percent of the world's consumers living outside of our borders, TPP will be a boon for business like mine, and others across the country. The recently finalized TPP would help my company enter new markets and grow the Connecticut economy, benefiting us all.

International Institute for Sustainable Development

No written summary. Please see EDIS for full submission.

International Intellectual Property Alliance

The International Intellectual Property Alliance (IIPA), representing the U.S. copyright industries, believes that the overall impact of the Trans-Pacific Partnership Agreement (TPP) on the industry sector it represents will be substantial and positive. If fully implemented and vigorously enforced, TPP will enable the creators, publishers, and distributors of U.S. music, movies, TV programs, videogames, books, journals, databases, and other creative works to reach more listeners, viewers, readers, gamers and other consumers in eleven important overseas markets, and will allow this sector to enhance its already substantial contribution to U.S. economic growth, foreign sales and exports, and overall U.S. global competitiveness.

Based on IIPA's three decades of experience with the role of U.S. trade agreements in opening up foreign markets to U.S. goods and services protected by copyright, we believe that agreements that incorporate evolving global norms and best practices for copyright protection and enforcement; that include other provisions aimed at dismantling barriers to U.S. participation in digital marketplaces around the world; that are faithfully implemented by our trading partners; and whose obligations are vigorously enforced, have played a critical role in

U.S. jobs, exports and foreign sales, and will continue to do so in the future. While some aspects of the TPP Agreement are disappointing, on balance we believe that it will fit this description if fully implemented.

The resulting positive impacts will vary across the range of TPP partner markets. We expect them to be greatest in trade with those TPP countries with whom a comprehensive and modern Free Trade Agreement with the U.S. is not currently in force. Focusing on the intellectual property chapter of TPP, the benefits for U.S. copyright industry participants are likely to flow from three overarching categories of obligations taken on by our TPP partners:

- To implement new legal protections or enforcement tools: for instance, by prohibiting circumvention of technological protection measures used to control access to copyrighted materials (a key enabling technology for digital trade in creative works), and by providing criminal penalties for unauthorized recording of films in theaters;
- To strengthen or extend existing legal protections, including harmonizing the duration of copyright protection; and
- To enhance both civil and criminal enforcement mechanisms against copyright infringement, notably in the online environment, such as through making more fully deterrent damages available, and through imposing criminal liability on aiders and abettors of criminal copyright infringement.

Full implementation of these obligations in the laws and regulations of our TPP partners should deliver concrete benefits for the U.S. copyright industries and the millions of good U.S. jobs they provide.

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America

The TPP encompasses well over a third of the world's economy and the scope of the agreement could increase over time as several large nations have expressed an interest in joining. If ratified, the TPP will impact our nation for generations to come. It will impact the food we eat, air we breathe, medicines we take, and cars we drive. UAW urges the ITC to comprehensively analyze the likely impact of the TPP on the U.S. economy and working families.

After carefully analyzing the final text, the UAW's executive board unanimously voted to oppose the TPP because it favors the interests of corporations and their pursuit of overseas profits. The extraordinary investor protections and inadequate labor standards provide incentives for companies to move operations to low wage countries. Foreign direct investment (FDI) has increased dramatically in many countries following the passage of prior free trade agreements. For example, FDI has tripled in Mexico since NAFTA according to the IMF.

The TPP repeats mistakes of prior trade agreements that contributed to massive job losses, rising income inequality, and tens of thousands of plant closings in the US. I urge the ITC to adjust its economic models to account for real-world trade impacts, including investment, currency, and wages.

The Auto Rules of Origin (ROO) standard is weak. Over half of the value of a car could be built by countries that are not in the agreement and still receive preferential treatment. By comparison, NAFTA’s ROO standard is 62.5%. Even more troubling is that the threshold for many auto parts is only 35%. This just one of ways in which the TPP is worse than NAFTA.

Countries around the world sell cars and other goods in the US without unfair trade barriers. The same cannot be said for many countries in the TPP. Several have closed markets and long histories of undervaluing their currencies. Currency manipulation has already cost millions of American jobs. Imported vehicles are routinely several thousand dollars cheaper because of undervalued currencies. Unfortunately, enforceable measures against currency manipulation are absent from the TPP.

The TPP also fails to address the detrimental impact of Value Added Taxes (VATs). The U.S. is one of the few nations that does not charge a VAT on incoming goods. Meanwhile, our manufactures still face double digit VATs in several TPP countries. Most countries also rebate VAT taxes on their exported goods.

Since NAFTA, our trade surplus with Mexico has vanished and hundreds of thousands of U.S. jobs have been lost, mostly in manufacturing. Manufacturers continue to take advantage of NAFTA’s investor protections and Mexico’s low wages to outsource U.S. jobs. The TPP also provides extraordinary investor protections. Several countries in the TPP are extremely low wage.

Mexican workers are often threatened for exercising their most basic rights as company unions dominate. Currently, most make less than $4.00 an hour in the auto industry despite booming profits and record growth. The TPP will not end this injustice.

International Wood Products Association

No written summary. Please see EDIS for full submission.

Information Technology and Innovation Foundation

No written summary. Please see EDIS for full submission.

Dr. Kenichi Kawasaki

The economic impacts of structural reforms measures, including those by Trans-Pacific Partnership (TPP) and other Economic Partnership Agreements (EPAs) will be achieved over the medium-term and will contribute to sustainable growth.

Estimates of the economy-wide impacts of ta riff removals and the reductions of nontariff measures (NTMs) (using a Computable General Equilibrium (CGE) model of global trade incorporating the dynamic aspects of capital formation and productivity improvements) indicate that United States (US) potential macroeconomic income gains from TPP would account for 0.8 per cent of US Gross Domestic Product (GDP). This rate is smaller than estimated gains in the other TPP member countries, which range from one to two per cent in Australia, Canada, Chile, Japan and Peru to around 20 per cent in Malaysia and Vietnam, but in terms of absolute values, US income gains, amounting to 113 billion US dollars, would be the largest among the gains of the twelve TPP member countries, with the second largest gains being in Japan (87 billion US dollars). On the other hand, US tariff removals and NTMs reductions would generate larger income gains than in any other TPP member country.

Among the sources of US economic benefits, the impacts of tariff reductions would be limited, accounting for less than 0.1 per cent of GDP, even assuming 100 per cent tariff removals without exemption, which was not actually agreed in the TPP negotiations concluded in October 2015. The vast majority of US income gains would derive from NTMs reductions in goods and services. Moreover, those US benefits would be driven primarily by US own NTMs reductions. It will be essential to reform domestic markets to achieve larger economic benefits from international EPAs.

Meanwhile, US income gains from the Free Trade Area of the Asia-Pacific (FTAAP) are estimated to account for 1.7 per cent of GDP, double the estimated benefits from TPP. The wider the coverage of EPAs, the larger the economic benefits will be. TPP would be a step forward for Asia-Pacific wide EPAs and for global trade and investment liberalization and facilitation and would lay a foundation for larger economic benefits.

The actual impacts of TPP will be reviewed in light of the TPP agreement. In addition to precise evaluations of partial tariff reductions and levels of NTMs reductions, including degree of spill-over to non-member third economics, further study dynamic economic impacts will be conducted. Estimates incorporating the effects on endogenous labor supply and the "extensive margins" of trade, i.e. exports by companies not involved in international markets before liberalization, indicate that the impacts could be much larger than estimated in earlier studies, including the current version of my model simulations, discussed above.

Knowledge Ecology International

No written summary. Please see EDIS for full submission.

Lancer Corporation

Introduction

My company, Lancer Corporation, provides draught beverage and soft drink dispensing equipment worldwide and we have a distinct advantage in the marketplace. While international distribution is critical to my company's strategy, my company currently faces challenges with selling our beverage dispensers abroad. The Trans-Pacific Partnership would allow us to compete with foreign competitors and make it easier to comply with certification standards in various countries.

Barriers to Trade

Currently, it is burdensome to comply with different certification standards for the various countries that our company serves. Because each country has different standards, filling out the necessary paperwork and ensuring compliance with the separate standards costs us in time and administrative overhead. In addition, it becomes increasingly more difficult to compete with foreign competitors if new markets are not opening.

Benefits of Trans-Pacific Partnership

The recently finalized Trans-Pacific Partnership (TPP) would streamline these certification standards, harmonizing the certification process across member countries to eliminate burdensome and often redundant paperwork. In doing so, the agreement would allow us and other businesses to enter into new markets more easily, creating more jobs in Texas while providing us with a more prosperous economy. Approximately 1.2 million jobs are supported by international trade agreements, and the San Antonio metropolitan area generated a total of $25.8 million in merchandise exports last year. The TPP will make it easier for my company to sell our beverage dispensers abroad and compete with foreign competitors.

Conclusion

The TPP will remove of a number of challenges my company and others face in trying to do business abroad. The TPP will strengthen our economy, open new markets for Texas businesses and workers, and continue to support jobs.

Leading Biosciences

Introduction

My company, Leading Biosciences, is in the human clinical trial phase on a therapeutic drug that that will address multi-organ failure caused by shock, the most critical unmet need in the U.S. right now. We are a small biotechnology company with hopes of bringing the next generation of medicine worldwide. The recently finalized Trans-Pacific Partnership would allow for strengthened intellectual property protection and global expansion.

Barriers to Trade

Currently, intellectual property protection poses a challenge for us. Due to the proprietary nature of our drug's formula, intellectual property protections will be critical to generating partnerships with Pharma companies outside the United States. Method patents are a big part of our portfolio, but they are not currently recognized in all countries. Additionally, some countries don't allow a patent to be filed once there's been a disclosure, preventing pharmaceutical companies from realizing the profits from years of research and investment.

Benefits to Trade

We will be partnering with a multinational company in the future, and the company could be headquartered abroad due to the competitive international marketplace. The Trans-Pacific Partnership (TPP) will enable us to make the best decision for expanding our company, regardless of country border lines. TPP will also lead to increased sales of our product, a significant increase of jobs in the U.S., and improved patient outcomes worldwide.

Conclusion

My business, and many others like ours in California, depends on trade agreements to level the playing field for American businesses. The TPP will provide significant benefits to the United States, particularly in supporting the innovative scientific industries and bringing the next generation of medicines to the global marketplace.

Leather Specialty Company

No written summary. Please see EDIS for full submission.

Professors John McLaren and Shushanik Hakobyan

We review research on the effects of past trade agreements to extrapolate the likely effects of trade portions of the TPP. If the effects of the trade portions of the TPP are similar to the US experience with trade agreements in the past, the agreement should: (i) Dramatically increase trade volumes between the US and the other partner countries in the TPP; (ii) Slightly increase aggregate real income in the US, with larger but still small increases in income in the lower-income partner countries; (iii) Dislocate some US workers in vulnerable industries, throwing some workers into unemployment, but create jobs in other industries, resulting in a small positive long-run effect on total job creation; (iv) Reduce incomes of blue-collar workers in manufacturing, particularly in offshorable occupations, and in many cases permanently; (v) Raise incomes of low-income households in Vietnam and Malaysia, and lower poverty rates there.

Motion Picture Association of America, Inc.

No written summary. Please see EDIS for full submission.

Mulvaney's B&L

Introduction

My restaurant, Mulvaney's B&L, is dedicated to farm-to-table services and we have many close relationships with the farmers who grow the food that feeds our customers. I know their businesses depend not only on restaurants like mine, but also on selling their California produce and livestock to customers overseas. The Trans-Pacific Partnership would reduce the barriers that would allow these companies to engage in international trade.

Barriers to Trade

Currently, many Sacramento businesses face high tariffs when it comes to selling produce and livestock overseas. This makes it difficult to remain competitive in the international marketplace.

Benefits to Trade

The Trans-Pacific Partnership will support local business, especially within the agricultural industry, by reducing barriers. Increasing participation in the global economy helps grow, strengthen, and diversify our economy. More jobs will be generated in the Sacramento region and across the state.

Conclusion

The future of the U.S. economy is global and trade agreements are vital to economic growth. The recently finalized Trans-Pacific Partnership will help restaurants and farmers enter new markets and grow the California economy, benefiting us all.

National Association of Manufacturers

The National Association of Manufacturers (NAM) is the largest manufacturing association in the United States, representing over 14,000 manufacturers small and large in every industrial sector and in all 50 states. The NAM has been actively involved in advocating for comprehensive, high-standard and ambitious market-opening and enforceable commitments in the TPP throughout the entire negotiation. After an intensive review of the final TPP agreement, overall, the NAM finds that the TPP agreement will substantially open the TPP markets to U.S. manufactured goods exports, create a more level playing field in a part of the world where manufacturers are losing market share and set higher than status quo standards that will benefit many broad U.S. manufacturing sectors. By eliminating all foreign tariffs on U.S. manufactured goods exports, the TPP achieves a top priority of manufacturers in the United States that will create substantial new export opportunities for manufacturers that face high tariffs and competition from other producers that already enjoy trade agreement preferences. In addition, the NAM finds that the following provisions will be particularly beneficial to manufacturers seeking entry into the TPP markets: provisions eliminating and reducing non-tariff barriers; standards on important issues of non-discrimination, intellectual property and investment protection, digital commerce and data flows, transparency, and anti-corruption; and binding and time-limited dispute. These outcomes will provide manufacturers in the United States with important new opportunities to improve their competitiveness and, thereby, increase sales and exports in the growing Asia-Pacific region, particularly with those countries where the United States does not currently have a free trade agreement. It will also be important for the administration and congressional leaders to work closely with industry to address remaining barriers, to raise standards, to promote the rule of law and to further level the playing field for all.

National Cattlemen's Beef Association

The National Cattlemen’s Beef Association (NCBA) is the oldest and largest national trade association representing America’s cattle producers. NCBA strongly supports the Trans-Pacific Partnership (TPP) because it tears down massive tariff and non-tariff trade barriers that prevent U.S. beef producers from meeting foreign demand for U.S. beef. Most importantly, TPP removes the massive 38.5% tariff on U.S. beef in Japan and levels the playing field with our

Australian competitors who currently enjoy a significant tariff rate advantage over U.S. beef in Japan. Without TPP, the U.S. beef industry will continue to lose market share in Japan, our largest export market at $1.6 billion in sales in 2014. TPP establishes a Pacific framework founded on science-based and market-driven principles and limits the disruption of politics in trade.

National Chicken Council and USA Poultry & Egg Export Council

No written summary. Please see EDIS for full submission.

National Corn Growers Association

TPP is a high level 21st century trade agreement that provides new and groundbreaking trade architecture that will drastically reduce tariff and non-tariff barriers for U.S. agriculture and provides the foundation for a global Free Trade of the Americas plurilateral trade pact.

TPP has the ability to shape other major trade agreements such as the Trans-Atlantic Trade and Investment Partnership Agreement and influence the World Trade Organization in their efforts to address broad domestic subsidies, market access and export competition pillars under the previous DOHA Round Negotiations.

National Council of Textile Organizations

No written summary. Please see EDIS for full submission.

National Farmers Union

No written summary. Please see EDIS for full submission.

National Foreign Trade Council

The two preconditions for Congressional approval of TPP are: (1) the resolution of outstanding issues of importance to the Congress that are need to be addressed by the Administration and (2) Congress' consideration of the Commission' report on the probable economic effects of TPP.

The traditional point of entry for measurement of benefits is a review of the thousands of foreign tariffs being eliminated, or in some cases markedly reduced. In doing so, account must be taken of the rate of growth of foreign markets newly opened. Vietnam is growing at twice the U.S. rate. As TPP is the primary path for future access to the bulk of the world's new and increasingly affluent customers in Asia, this also is a highly relevant factor.

Arguably even more important is the opening of wholly new fields of market access. Major liberalization will take place for the cross-border supply of services (including financial services). TPP will further promote the explosive growth of e-commerce, providing for the free flow of data across borders, prohibiting forced localization of data storage and enabling the expansion of express delivery and electronic payment services. In all of these areas, America has a competitive advantage. Evaluating TPP's benefits requires a comparison among competitors. It must always be kept in mind that with any FTA that trade liberalization is preferential – granting advantages that non-parties' businesses do not enjoy.

In the world of digital commerce, the benefits in TPP for small and medium sized businesses are likely to be very large. As most employment in America is provided by small and medium-sized businesses, the gains in jobs should also be large. Trade facilitation, with emphasis on serving the needs of micro, small and medium sized American businesses, holds great promise.

Although a more mature market, due to its size, any additional access to the Japanese market can have a very positive effect.

The rules sections of the agreement can have dramatic positive effects. A prime example is the inclusion of disciplines designed to curb unfair competition from state-owned enterprises (SOEs). SOEs are increasingly important in world trade.

Where the US did make concessions, they were limited with respect to sensitive industries and often staged over an extended period of time.

It is imperative that the ITC also examine the economic costs of failing to join TPP. The default case is not the status quo, it is much, much worse. In a world governed by preferential trading arrangements, U.S. companies will not only face current barriers, but their major competitors will benefit from preferential access under the other trade agreements – in place and being negotiated – to which the U.S. is not a party.

The bottom line: There are strong positive net benefits for U.S. businesses and workers from TPP entering into force, and strikingly negative consequences if it does not do so.

National Pork Producers Council

The most important benefit from TPP for U.S. pork producers would be from increased access to the Japanese market. Japan has been viewed for many years by the U.S. agriculture community as a market of enormous potential. Japan's economy is second only to China's in the region, and Japan is our fourth largest agricultural export market overall. U.S. food and agricultural exports to Japan in 2014 totaled $13.1 billion. Japan is the top U.S. market for pork, valued in 2014 at nearly $1.8 billion.

Even so, a substantial barrier to pork imports remained in Japan that had to be addressed satisfactorily in TPP for it to be considered a success: a complex system of tariffs commonly referred to as the "Gate Price." Under the Gate Price system, pork entering Japan priced above a pre-established "Gate Price" is assessed a low import duty in percentage terms, while pork priced below the Gate Price is assessed a higher variable specific duty (yen per kilogram).

The effect of this system has been that almost all pork shipments to Japan had to be priced above the Gate Price to get the lower percentage tariff and avoid the higher variable charge. This accounts for the fact that most U.S. exports to Japan have been in the high-end categories (loins and tenderloins). Shipments of lower-priced cuts, where U.S. product is highly competitive (hams), have been limited. In the absence of the Gate Price system, the United States would be much better positioned to compete fairly for a share of the Japanese market in lower-priced pork cuts.

National Potato Council

No written summary. Please see EDIS for full submission.

National Retail Federation

No written summary. Please see EDIS for full submission.

New Grand Ocean International

Introduction

My company, New Grand Ocean International LLC, exports a variety of meat products to Asia. We also provide consulting for other companies who want to find new exporting opportunities in Asia. We currently do business with Vietnam, Japan, and Malaysia – all members of the Trans-Pacific Partnership (TPP) – and we are always expanding. TPP will help companies like mine compete in the Pacific Rim, increasing our exports and creating jobs.

Barriers to Trade

Unfortunately, high tariffs price many of America's small businesses out of East Asian markets. Currently, some TPP countries tax imports of poultry products as high as 300%, beef products as high as 50%, and pork products as high as 25%. These tariffs make American products artificially more expensive than domestic suppliers in those markets, making it difficult for us to compete.

Beyond tariffs, each country also has different import licensing requirements. Filling out the necessary paperwork and ensuring compliance with those separate requirements costs us in time and administrative overhead. This is particularly burdensome for a small business. Additionally, some countries' Sanitary and Phytosanitary Measures (SPS) are designed to make it harder for U.S. businesses to sell our products in their markets.

Benefits of the Trans-Pacific Partnership

TPP will reduce or eliminate many of the tariffs currently pricing us out of the market, allowing us to be cost-competitive with domestic suppliers in those countries. The agreement also addresses non-tariff barriers to entry in those markets, harmonizing import licensing requirements across member countries to reduce burdensome and often redundant paperwork, allowing us to enter new markets more easily. Finally, TPP will ensure that foreign countries' SPS measures are science-based, and not just used to discriminate against American food products.

Already, my company is benefiting from the prospect of a trade agreement in the Pacific Rim. We have met with Vietnamese business leaders who are interested in importing our products, which will mean more jobs for Omaha workers. We have also found several Vietnamese investors who are interested in funding projects here in Omaha.

Conclusion

All of the aforementioned benefits of a trade agreement in the Pacific Rim depend on swift passage of TPP. The longer Congress waits, the more America's businesses will have to pay to do business overseas, and the longer we will be kept at a competitive disadvantage. TPP will open new markets to businesses like mine, enabling us to export more of our products overseas and create jobs in the U.S.

North American Meat Institute and the U.S. Hide, Skin and Leather Association

No written summary. Please see EDIS for full submission.

Northwest Door LLC

Introduction

My small business, Northwest Door, has been making, selling, and installing garage doors out of Tacoma for 70 years. Over the past several years, we have expanded our business to nine countries and have identified more growth opportunity in the Asia Pacific. The recently finalized Trans-Pacific Partnership is critical for us to reach customers in other countries.

Barriers to Trade

Currently, we can barely compete with Chinese companies because they face lower tariffs in the Pacific Rim countries than we do. Tariffs increase the cost of our doors by 5 to 25 percent, so when customers can buy garage doors from Chinese companies at far lower prices, it is hard for us to compete and remain competitive.

Benefits to Trade

The Trans-Pacific Partnership would reduce tariffs and lower other barriers to international trade in the Asia Pacific. Ten percent of our sales are exported to four TPP member countries, and at least four other countries are potential markets for our business. Doing more business overseas would help us add even more jobs and increase wages for our local employees and providers.

Conclusion

The Seattle metropolitan area is the fourth largest exporting market in the United States. Nearly a quarter of the countries that local businesses currently export to are members of the TPP agreement. With the passage of the TPP, Puget Sound's businesses will grow and continue to add jobs at home.

OMA Industries

Introduction

I founded my small business in 2007 and we sell maintenance, repair, and operations parts for machinery, systems and equipment. Our primary market is manufacturers in the United States, but a significant portion of our sales come from outside the country, as much as half a million dollars per year. We currently sell to customers in Mexico, Brazil and Luxemburg. We would like to do more business internationally, but there are a lot of barriers for us that are hard to overcome with our limited resources.

Benefits to International Trade

We are a small company (it's just me and two other employees) and we compete a lot with larger companies. One of our successful strategies for competing with these larger companies is to go to places in the world where they aren't selling as much. We would really like to sell more to countries in Latin America, including Colombia, Chile, and Peru. We see a lot of opportunity there. As we expand, we would also like to sell our products in Asia, but we have not been able to yet.

Barriers to International Trade

It feels like the rules to doing business in other countries change all the time and it is hard to keep up. My company has trouble with Customs regulations frequently. We lose business when there are high tariffs on our products and it becomes very expensive to compete. We also have trouble with expensive shipping costs. If there were fewer barriers to doing business internationally, our revenue would be higher and I would be able to hire another employee.

Conclusion

McAllen is on the border with Mexico and it's obvious to our community that businesses should be able to sell products there; NAFTA has been a valuable tool in enabling that expansion and creating U.S. jobs. My small business has learned that exporting to Mexico and other foreign countries is a critical strategy for diversifying and strengthening our business. As the world becomes increasingly global, the United States should reduce barriers for more small businesses like mine by passing international trade agreements like the Trans-Pacific Partnership.

Outdoor Industry Association

No written summary. Please see EDIS for full submission.

Personal Care Products Council

No written summary. Please see EDIS for full submission.

Pet Food Institute

No written summary. Please see EDIS for full submission.

Peterson Institute for International Economics

No written summary. Please see EDIS for full submission.

Professors Peter Petri and Michael Plummer

No written summary. Please see EDIS for full submission.

Pharmaceutical Research and Manufacturers of America

No written summary. Please see EDIS for full submission.

Portland Made

No written summary. Please see EDIS for full submission.

Procter & Gamble

P&G is a global leader in fast-moving consumer goods, focused on providing branded consumer packaged goods of superior quality and value to our consumers around the world. With $76.3 billion in global sales, P&G sells products in more than 180 countries and territories, with manufacturing sites spread throughout the U.S. and international markets. We own and operate 26 manufacturing sites located in 20 U.S. states and territories, as well as some 100 manufacturing sites in foreign countries. Nearly 5 billion consumers use our products.

Commerce and trade is part of P&G’s corporate DNA, and we actively support implementation of high-quality multilateral, regional and bilateral trade agreements as policy tools to accelerate economic growth, reduce tariff and non-tariff barriers to trade, and to promote regulatory coherence across geographical borders. Existing free trade agreements have helped to increase wealth and eliminate or reduce trade barriers globally. P&G benefits from these agreements because they have allowed us to create efficient, reliable supply chains that have expanded our access to markets around the world.

The TPP region includes some of P&G’s largest and fastest-growing markets in Asia Pacific and Latin America and we anticipate major benefits from TPP member countries’ agreement to establish or enhance new protections for investors and reduce non-tariff barriers. The TPP Agreement will serve as the first U.S. trade agreement with five of the member countries, including Japan, the world’s third largest economy, as well as Vietnam and Malaysia, two of P&G’s fast-growing emerging markets.

TPP goes even further than previous trade agreements by addressing 21st century trade issues through chapters within the agreement on electronic commerce, customs administration, and small- and medium-sized businesses. These chapters complement our company’s future business growth in all of the TPP member countries as online and non-traditional distribution models and sales channels rapidly expand. Today’s consumers, especially those in the Asia Pacific Region, increasingly shop online and purchase our products via computers, phones, and other mobile devices. By ensuring the freedom of cross-border data flows, generally prohibiting data localization and protecting personal information, TPP will help boost electronic commerce among the 12 participating countries.

P&G expects some of our most important long term gains to stem from increased regulatory coherence. The TPP agreement's Cosmetics Annex commits partner countries to important underlying principles of "Good Regulatory Practices." The reduction in regulatory barriers will reduce costs and simplify business processes as duplicative and ineffective regulations are eliminated between member countries and increase the speed in which we can deliver the safest, newest and most innovative beauty and personal care products to consumers.

The TPP Agreement represents an important opportunity for P&G, our employees, shareholders, and for the communities where we live and work. P&G supports immediate passage of the TPP Agreement because it will not only benefit our current and future operations in member countries, but it lays the groundwork for P&G to enjoy similar benefits in countries that subsequently join this important trade agreement.

Progressive Policy Institute

The Progressive Policy Institute (PPI) strongly supports the Trans-Pacific Partnership and believes that the agreement is in the economic interests of the United States. PPI believes that slow growth is America's fundamental challenge and that expanding trade under liberal rules is integral to a progressive, pro-growth economic strategy.

PPI notes, in particular, that the TPP includes significant, groundbreaking provisions that will support and deepen two transformative trends that will help Americans benefit more broadly from expanded trade: 1) increasing exports by America's small and medium-sized enterprises (SMEs), and 2) the growth of the digital economy and global e-commerce.:

PPI urges the Commission to focus on the following points in its analysis of the TPP's economic impact:

1. Studies show that digitally enabled trade—including trade through Internet platforms like eBay and PayPal and logistics firms like FedEx and UPS—is rapidly "democratizing" trade, making it increasingly possible for America's small firms and nontraditional traders to sell to customers around the world—often as easily as large, established traders.
2. America's small and medium-sized exporters are key economic contributors, accounting for about a third of U.S. goods exports. Numerous studies show that SMEs that export, on average, are more productive and resilient, hire more employees, and pay higher wages than non-exporting SMEs.

3. The United States has significant potential to grow SME exports. Exporting SMEs currently account for only about one percent of America's 29 million SMEs and about five percent of America's six million employment-providing SMEs. There is growing interest among American SMEs in exporting.
4. Expanding opportunities for small business exporters could enable a broader—and more diverse—group of American small business owners and workers to share in the higher returns that trade can generate. The TPP would provide particular opportunities, for example, for Asian-American and Hispanic-owned exporters, whose U.S. export sales are often highly concentrated in TPP markets, and would support woman-owned and other minority-owned exporters, who, on average, employ more workers and pay significantly higher wages than their non-exporting counterparts.
5. The TPP includes groundbreaking provisions to support the growth of digitally enabled trade. Among other things, the agreement would: (i) require countries to allow electronic data flows for business purposes, (ii) restrict data localization and similar rules that mandate where businesses locate servers, databases, or other digital infrastructure, and (iii) require privacy, consumer protection, and other key rules to foster regional e-commerce.
6. The TPP includes groundbreaking provisions to support the growth of U.S. small business exports. Among other things, the agreement would: (i) create a special committee to assure that the agreement works for SMEs; (ii) require countries to create user-friendly trade information portals to assist SME traders; and (iii) eliminate or significantly reduce high duties, regulatory barriers, and customs delays that studies by the Commission and others show can place particular burdens on small business exporters.

Property Casualty Insurers Association

No written summary. Please see EDIS for full submission.

Public Citizen

No written summary. Please see EDIS for full submission.

Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America

R-CALF USA is the largest U.S. trade association that exclusively represents the live cattle segment of the multi-segmented beef supply chain. Its members are seed-stock, cow/calf, background and stocker, and feedlot operators. Because they sell cattle while meatpackers buy cattle, R-CALF USA members are impacted differently by the Trans-Pacific Partnership free trade agreement (TPP) than are multinational meatpackers. The TPP benefits multinational meatpackers at the expense of independent U.S. cattle producers.

The TPP adopts the mantra coined by the meatpackers' trade association, the National Cattlemen's Beef Association (NCBA), which states "beef is beef whether the cattle were born in Montana, Manitoba, or Mazatlán." The TPP accomplishes this under its product-specific rules of origin by declaring the origin of beef to be wherever the animal is slaughtered. This renders the origin of cattle irrelevant. It relegates the U.S. cattle industry to nothing more than an undifferentiated raw-product supplier to the multinational meatpackers' global supply chain.

Thus, the TPP allows multinational meatpackers to ship live cattle from Australia (the U.S. already ships about 60,000 cattle long-distance from Hawaii to the mainland each year), Brazil, Mexico, Argentina, Canada or Nicaragua to the U.S. for slaughter. The resulting beef can then be shipped duty-free to Japan or any other TPP country as a "Product of the USA." This extinguishes competition between U.S. cattle producers and cattle producers from around the world. The TPP effectively grants multinational meatpackers a license to seize the reputation of the U.S. cattle producer and put it on beef from cattle born and raised anywhere in the world, in the form of a USA label. The TPP gifts the reputations of U.S. cattle producers to the multinational meatpackers; but, U.S. cattle producers receive nothing in return.

The TPP also discriminates against U.S. cattle producers by granting special safeguards to Japanese cattle producers and U.S. dairy producers, which protects them from price-depressing import surges, while granting no safeguards to U.S. cattle producers. The U.S. commercial sheep industry was severely damaged by a lack of safeguards. Lower-cost Australian lamb imports depressed U.S. lamb prices so severely that by 2006 the U.S. began importing more lamb than the injured domestic sheep industry could produce. Because no safeguards were provided, the sheep industry became the first U.S. livestock industry to have the majority of its production offshored. The TPP leads the cattle industry in the same direction.

In addition, the TPP will further weaken U.S. import standards by interfering with the ability of U.S. citizens to establish essential import requirements through the participatory, democratic process. The TPP accomplishes this by inviting foreign corporations and foreign governments to challenge U.S. health and safety laws when they deviate from international standards. To facilitate even more imports from countries that lack the will, infrastructure, or resources to meet U.S. standards, the TPP authorizes unaccountable attorney practitioners, who are not judges, to adjudicate formal challenges against U.S. health and safety laws. In short, the TPP requires the U.S. to unacceptably cede a wide swath of its national sovereignty.

Retail Industry Leaders Association

No written summary. Please see EDIS for full submission.

Salewa North America

Introduction

Salewa North America is a wholly owned subsidiary of Oberalp, and includes a portfolio of four international outdoor brands with products for skiing, climbing, mountaineering, trekking, trail running, and more. Oberalp acts as a distributor for other brands in some countries. The approach is not simply quantitative: the goal is to increase brand value and positive impact on the sporting community.

The Oberalp Group was founded in 1981 by Heiner Oberrauch and now employs almost 600 people. Over the last few decades, we have expanded beyond the North American and European markets and found great potential in Asia. The Trans-Pacific Partnership would help my company and the brands we support as we expand internationally.

Opportunities with International Trade

A significant share of our business is international and these international sales have been essential in our business's growth and success. In the outdoor industry, it is valuable to sell our products to markets around the world, as the climates vary and the demand for various goods changes from season to season. When it is cold enough to ski on the mountains in one place, it is warm enough to run on trails in another. This keeps our revenue streams more stable and stability is always good for business.

Barriers to International Trade

When we sell our products in other countries, and manage our supply chain between countries, we regularly have to manage difficulties with complicated regulations and high tariffs. Customs regulations in other countries require valuable staff time to coordinate. Sometimes our products get stuck in Customs and these delays can be costly. Often the tariffs on our goods are so high in other countries that it's difficult to compete with sellers from that country's domestic market. That requires us to sell our products with narrower margins or we can't sell them at all there.

Conclusion

Small businesses like ours stand to benefit significantly from reducing barriers to international trade. While larger companies can manage hurdles like Customs regulations and they can absorb higher tariff costs, small businesses make sacrifices every day to go through the efforts required to benefit from international trade. I believe the Trans-Pacific Partnership would greatly reduce these barriers, so that more small businesses can grow, create new jobs, and reduce unnecessary duties and pricing pressure for our American consumers.

Semiconductor Industry Association

The Semiconductor Industry Association (SIA) is the voice of the U.S. semiconductor industry, one of America's top export industries and a key driver of America's economic strength, national security, and global competitiveness. For U.S. semiconductor companies -which design and manufacture the microchips that control all modern electronics- international trade is vital for our industry to compete, innovate and grow.

This is because while most of the manufacturing done by U.S. semiconductor companies is done in the United States, 82% of our products are sold to customers overseas. In fact, semiconductors are the nation's 3rd largest manufactured goods export, after automobiles and airplanes.

Access to global markets has enabled our industry to compete successfully and maintain a leading market position with more than half of the $336 billion global semiconductor market share in 2014. Revenues from overseas semiconductor sales support 1.25 million jobs and billions of dollars of R&D and capital investments here in the United States.

The TPP is incredibly important to our industry in three main aspects: 1) it enhances access to the huge and fast growing global markets in Asia 2) it strengthens the global semiconductor supply chain on which our industry depends and 3) it aligns global trade rules with how trade is done in today's digital economy and sends an important message to our competitors that fairness and collaboration – not inequity and isolationism- will be the hallmarks of 21st century trade.

The TPP sets the rules for cross-cutting issues not previously included in trade agreements that will lay own important precedents for other trading partners, particularly China. There are several key provisions that will positively impact the U.S. semiconductor industry, including:

- Rules preventing market-access restrictions on commercial products with encryption
- Increased penalties to protect trade secrets and other forms of IP.
- Tariff elimination on semiconductor-rich products and applications (i.e. autos/auto parts)
- Simplification and harmonization of customs and trade procedures and removal of impediments to e-commerce

- Rules that require state-owned enterprises to compete fairly and transparently without undue government advantage

Successful ratification of the TPP will promote free and open trade upon which our industry has thrived, thus reaffirming America's global technology and trade leadership, and ensuring that more products made in America – including technology products like semiconductors – can be shipped to customers around the world.

ServerLIFT Corporation

Introduction

My company, ServerLIFT, provides server lifting solutions designed to effectively handle servers and networking equipment in today's data center environment. The success of our company depends on international trade, and the recently finalized Trans-Pacific Partnership will help small businesses like mine expand our export operations into new markets.

Barriers to Trade

It is hard for us to establish a foothold in the global market with high tariffs that are very costly for our business. Small businesses lack the resources to handle credit risks so we are not able to export effectively.

Benefits to Trade

The Trans-Pacific Partnership (TPP) would help us increase our revenue and employ more workers here at home. The TPP would enable us to export superior quality products, have better pricing options and run the business more effectively, while having the resources to do so.

Conclusion

The TPP will strengthen America's small businesses, create more jobs, raise our GDP, and safeguard our nation's influence within the global marketplace. My company's story illustrates the enormous potential TPP offers small American businesses hoping to venture into the global marketplace.

Sierra Club

To accurately reflect the interests of U.S. consumers, workers, and businesses, this USITC investigation should include a robust focus on the TPP's likely impacts on protection of the environment and climate. After a thorough review of the TPP text, Sierra Club concludes that the TPP would likely exacerbate climate disruption, undermine environmental protections, increase threats to certain endangered species and ecosystems, and allow existing environmental abuses to continue. Many of the TPP provisions that pose these environmental threats, and the threats themselves, also would undermine the employment opportunities of U.S. workers and the competitiveness of U.S. businesses.

The USITC should calculate and report the TPP's likely impact on greenhouse gas emissions, as the agreement likely would contribute to increased climate disruption, spelling costs for U.S. consumers, ecosystems, and businesses. For example, by spurring a shift in manufacturing from the U.S. to low-wage countries like Vietnam and Malaysia, the TPP not only would displace U.S. businesses and workers, but also result in more carbon-intensive production and greater greenhouse gas emissions from shipping.

The TPP also would facilitate increased production of, and dependence on, liquefied natural gas (LNG) – a fossil fuel with high life-cycle greenhouse gas emissions. Under the TPP, the U.S. Department of Energy would be required to automatically approve LNG exports to TPP countries like Japan, the world's largest LNG importer. Based on projections from the U.S. Energy Information Administration, a resulting rise in LNG exports would increase energy costs for U.S. consumers and businesses, costing the equivalent of tens of thousands of lost jobs each year, while spurring an increase in the dangerous practice of fracking. Automatic approval of LNG exports also would deter renewable energy investments while locking in decades' worth of climate-disrupting U.S. fossil fuel production.

The USITC also should conduct and report a thorough assessment of the financial, health, and environmental costs that U.S. consumers could bear under the TPP's expansion of the investor-state dispute settlement (ISDS) system. The TPP would roughly double the number of foreign firms empowered to challenge U.S. environmental protections in private ISDS tribunals. If the U.S. were to lose a case, U.S. taxpayers would have to pay up to billions of dollars. The unprecedented expansion of ISDS liability could also chill new environmental protections, exposing U.S. consumers to costly health and environmental risks. Other TPP provisions could similarly undermine U.S. environmental policies, such as environmental labels supported by U.S. consumers and businesses, and U.S. programs that cultivate local employment and business opportunities in renewable energy manufacturing.

Finally, the USITC should assess and report the likely costs to U.S. businesses, plus the likely environmental and health costs, of environmental abuses that likely would continue, and possibly increase, under the TPP. The TPP environment chapter, hampered by weak language and a failed enforcement mechanism, is unlikely to meaningfully reduce environmental violations occurring in TPP countries. The continuation of such abuses not only would threaten the environment, but also would put U.S. businesses such as fishing and timber companies at a competitive disadvantage.

SNA International

Introduction

My company, SNA International, focuses on forensic DNA management and consulting, as well as providing technological tools to help with forensic operations. The Trans-Pacific Partnership will help small businesses like mine overcome barriers such as tariffs and unfair cost disadvantages, and compete in the global economy.

Barriers to Trade

The lack of strong international trade policies makes it challenging for my company to compete with state-owned enterprises in the international market. These government-backed businesses often receive subsidies and preferential regulatory treatment to engage in commercial activity, making it harder for U.S. companies to gain a foothold in those countries. For example, in 2009, we were competing for a contract with the Oklahoma Bureau of Investigations, but lost the bid to a UK-based company that was backed by its government. In the end, the UK-based company did an insufficient job, and we won the next contract. But second chances do not come often and we are losing contracts because of an unfair cost disadvantage.

Benefits to Trade

The Trans-Pacific Partnership (TPP) includes provisions that will help ensure American businesses compete on a level playing field with state-owned enterprises. By prohibiting these enterprises or designated monopolies from discriminating against enterprises, goods, or services, from foreign countries, the TPP will prevent state-owned enterprises from distorting markets and putting U.S. companies at a competitive disadvantage.

Conclusion

The world economy is becoming increasingly global and we have no choice but to compete with companies in other countries. The TPP will make this process easier and fairer, which is increasingly crucial to many businesses' growth.

Society of Professional Engineering Employees in Aerospace

Congress and the public rely on official estimates to make informed policy decisions. Economic models have consistently overestimated the gains from trade. Trade models make simplifying assumptions, such as full employment, balanced trade, and economies operating at full capacity. Such assumptions serve ideological purposes, but they weaken the credibility of predicted outcomes.

Other countries are comfortable with trade-distorting policies, which are contrary to the assumptions used in economic models. These departures from economists' assumptions have real consequences for workers and communities in Guatemala, Mexico, Malaysia, Vietnam, and the United States.

For economic models to have value, they should acknowledge underlying assumptions and make clear how those assumptions affect the results.

Software & Information Industry Association

No written summary. Please see EDIS for full submission.

Spectronics Corporation

Introduction

My company, Spectronics Corporation, manufactures ultraviolet equipment and is one of the largest manufacturing firms on Long Island. Almost half of our sales are overseas, so our ability to export is critical to our business. The Trans-Pacific Partnership is extremely important to us, as it helps to ensure that our patents are respected when we enter new markets overseas.

Barriers to Trade

Protecting our intellectual property abroad is our biggest obstacle. Currently, it is very expensive to defend our patents in other countries. As a small business, the risk of having our intellectual property stolen is high. We have limited resources if our intellectual property is stolen outside the United States, where there is not always an established system for defending patents.

Benefits of Trans-Pacific Partnership

The recently finalized Trans-Pacific Partnership (TPP) would establish a structure for enforcing our patents overseas, making it easier for small businesses like mine to protect our intellectual property. My company is particularly interested in entering Pacific Rim markets, so the TPP will help us find new exporting opportunities which will in turn allow us to create more jobs here on Long Island.

Conclusion

My business's success depends on strong trade agreements, as they are critical for small businesses and the workers we employ. The TPP will help us protect our intellectual property in other countries, expand our business overseas, and create more jobs in the U.S.

Sunrise Shoes and Pedorthic Service

Introduction

International trade is essential to Capital Region businesses like mine. When my company started in 1986, we were a small therapeutic footwear retail store. Twenty-five years later, we design DM standard care delivery systems and manufacture therapeutic footwear with applied soft tissue geometry and propulsive gait technology. Moving forward, we plan on exporting our added value therapeutic footwear and services to customers around the world, including in the Asia Pacific. The Trans-Pacific Partnership would help my business in our efforts to sell internationally.

Challenges to International Trade

As a small business, we face significant challenges with selling our products and services in other countries. Currently, it can be very complicated to navigate regulations and very expensive to manage high tariffs. Small businesses have fewer resources to handle these challenges and are often scared of even beginning on the path to trading internationally.

Benefits of Trans-Pacific Partnership

This international trade agreement would help small businesses like mine compete on an even playing field. There is significant potential for our world-class footwear and services to help customers in other countries. The trade agreement would streamline the process for entering into international markets and getting our products into the hands of more customers.

Conclusion

The opportunities for U.S. businesses to grow by selling overseas are huge and constantly growing. The vast majority of the world's consumers live outside America's borders. If businesses like mine don't look to diversify our consumers, we would be cutting ourselves short. International trade agreements like the Trans-Pacific Partnership will help us live up to our full potential. When small businesses grow, we create new jobs, making the U.S. economy stronger overall.

Sweetener Users Association

No written summary. Please see EDIS for full submission.

Team Askin Technologies

Introduction

My company, Team Askin Technologies, exports professional services in the aviation safety domain. We currently have been exporting for about four years and we do work with two civil aviation authorities, Saudi Arabia and Singapore. We help customers with their aviation safety regulations and supporting systems' with all work being performed in the United States.

Our goal is to export our Safety and Regulatory Subject Matter Expertise to other nations and the recently finalized Trans-Pacific Partnership can help us accomplish that.

Regulations and their compliance bring transparency and peace of mind.

Barriers to International Trade

Having different regulations, tariffs and fee structures make trade and exporting more difficult. With everyone on the same page and following the same guidelines we will communicate more effectively and streamline exporting.

Benefits of International Trade

International business has brought in more than $15 million in sales for my small business. It's about 60 percent of our revenue. TPP would help companies like mine apply our services in other countries. Air travel is global by nature, and there's a lot of opportunity to increase our work overseas.

Conclusion

My business, and many others like it across the country, depends on international trade agreements to level the playing field for American businesses. TPP will simplify regulations in other countries to make it easier for us to do business there.

Teseda Corporation

Introduction

My company, Teseda Corporation, provides solutions to the semiconductor industry by isolating defects on complex semiconductors due to design, manufacturing, or use. Our users are worldwide, either headquartered outside of the U.S. or with divisions outside of the U.S. Because the semiconductor manufacturers we work with operate worldwide, my company is international by nature.

Currently, Teseda does business in China, Japan, Taiwan, Korea, Singapore, and the Philippines. While we are interested in expanding our business into more overseas markets, there are currently barriers to trade that make it difficult for us to do so, particularly relating to protecting our intellectual property. By strengthening IP protections, as well as reducing other barriers to trade in the Pacific Rim, the Trans- Pacific Partnership (TPP) will enable us to expand operations overseas, creating more jobs in the U.S. and contributing to our economic growth.

Barriers to Trade

My company is high-tech, but small: it is very difficult and costly for us to fight intellectual property battles. Teseda and other small businesses like it need to pay fees in every country to protect our IP, so we own a lot of patents: beyond the patent applications, we need to make annual payments to continue those patents' effectiveness, which is very expensive. If I cannot protect my IP, then someone can reproduce what my company is building and sell duplicates, so I would lose that market. IP protection is fundamental to securing business and, as a result, creating jobs.

There are other barriers to entering new markets, as well. The high cost of tariffs on our products gets shifted to our customers, making us less cost-competitive in those markets. And right now, we need to ensure our electrical equipment meets safety standards in every individual country we do business in, which is time-consuming and expensive.

Benefits of the Trans-Pacific Partnership

TPP will make it easier for businesses like mine to protect our intellectual property rights in new markets. The IP commitments in TPP are backed by strong enforcement systems, which is particularly important for small businesses like mine who cannot afford the legal resources necessary to protect our IP. TPP will allow us to expand into new markets without fear of losing our valuable intellectual property.

Additionally, TPP will harmonize codes, including safety standards on electrical equipment. I believe that if my company gets safety qualifications at U.S. labs, that certification should apply across the board. TPP will help reduce the hoops we have to jump through to start selling our products in new markets.

Finally, TPP will eliminate all tariffs on U.S. manufactured goods, including electrical equipment. This will in turn reduce the price of our products in the Pacific Rim markets, allowing us to compete with domestic manufacturers in those companies.

Conclusion

As a small business, Teseda sees a tremendous value in the protection of intellectual property rights, the harmonization of trade standards, and the reduction or elimination of tariffs on U.S. goods. TPP will not only help us grow our business, but will also help companies like mine create jobs in the U.S. and grow our economy.

Third Way

No written summary. Please see EDIS for full submission.

Thirty Tigers

Introduction

The Trans-Pacific Partnership would have a positive effect on the U.S. economy, because when entrepreneurs are not able to readily access markets for their goods and services, businesses and workers suffer.

Thirty Tigers is an entertainment company I co-founded in 2001. In the last 15 years, we have gone from two employees working out of my guest bedroom to 30 employees mostly working out of our offices in Nashville, Tennessee. Our marketing, distribution and management services have fostered a number of independent artists, and last year, we sold $17 million worth of their music worldwide. Our success (as well as our artists') is due, in part, to our ability to reach customers around the world.

Opportunities with International Trade

We have recently expanded our services to all of Europe and Australia, and the ease of which we can gain access many of to those markets, thanks to existing free trade agreements, helps not only my business but also the artists who we represent. When my business grows, I employ more American workers. When my artists are able to grow their careers and tour in those markets, they employ guitar techs and road managers who live and pay taxes in Nashville.

Cost of Inaction

International trade will happen whether or not there are international trade agreements in place. The Trans-Pacific Partnership would ensure that U.S. businesses can compete fairly with those in other countries. A recent report from the Peterson Institute estimates that delaying implementation of the agreement for just one year could cost the United States more than $77 billion in lost national income.

This loss would be seen on the balance sheets of small businesses like mine across the country. Delaying access to international markets means delaying our revenue and delaying our new jobs.

There’s no way to know if we would be able to make up for these losses over time, so it is important Congress acts quickly to approve the Trans-Pacific Partnership.

Conclusion

I urge Congress to support the Trans-Pacific Partnership to open the spigot of commerce and foster a vibrant economy that can create jobs as entrepreneurs send their goods and services to global customers without undue barriers.

Free trade is good for all businesses, good for my business, and good for my employees as well.

Tile Council of North America

No written summary. Please see EDIS for full submission.

Titanium Metals Corporation

No written summary. Please see EDIS for full submission.

Trade in Services International

Trade in Services International (TiSI) is dedicated to helping small and medium enterprises and service firms leverage the global services[1233] economy for export expansion, employment, and sustainable development of the TPP.

My testimony will focus on the development aspects TPP provisions on governance, e-commerce, and development advance trade policy in support of economic growth and development. The U.S. will benefit from the full implementation of TPP market oversight provisions that create robust competition authorities, transparent regulatory authorities, and institutionalize anti-corruption practices in TPP member economies. Small and medium enterprises (SMEs) will benefit from a legal framework governing electronic commerce. The US and TPP members will also gain from deepening women's engagement in the economy.

The TPP fosters good governance among the 12 member countries to achieve economic prosperity and sustainable development. The U.S. will benefit from a robust trade relationship with TPP member economies as they deepen market oversight reforms, create a positive policy climate for electronic commerce, and boost women's economic engagement. The TPP also sets the international standard for trade rules on competition policy, state owned enterprises (SOEs), transparency, and anti-corruption. At the same time, TPP members recognize the right to regulate, safeguard public welfare, and protect the environment. TPP provisions are also valuable for other countries interested in moving toward a sustainable, market-based economy.

U.S. Chamber of Commerce

The U.S. Chamber of Commerce appreciates the opportunity to present the following perspectives on the likely impact of the Trans-Pacific Partnership (TPP) on the U.S. economy. The Chamber is the world's largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions.

The Chamber in January announced its support for the TPP and pledged to advocate for its approval by Congress. This decision followed careful review of the agreement's text and deliberation by our International Policy Committee and Board of Directors.

The TPP will eliminate tariffs and many non-tariff barriers on U.S. industrial and consumer goods exports. It will provide substantial new market access for U.S. agricultural exports through tariff elimination or reduction, creation of new tariff-rate quotas, and other measures.

[1233] Services include: business, communication, construction, distribution, educational, environmental, financial, health related, tourism and travel, recreational, cultural and sporting, and transport services, WTO, Services Sectoral Classification List, July 1991, MTN.GNS/W/120, http:// WTO.org.

TPP rules will open markets to cross-border trade in services and investments in service sectors. It will unleash the digital economy, strengthen our innovative and creative industries, and end the favoritism afforded to state enterprises.

The substantial benefits of past FTAs are relevant to this investigation. While our current FTA partners represent just 6% of the world's population outside the United States, in recent years they have purchased nearly half of all U.S. exports. In our analysis, U.S. exports to new FTA partner countries have grown by an annual average of 18% in the five-year period following an agreement's entry-into-force. This boost to U.S. export growth is especially pronounced with more recent FTAs, which are front-loaded to eliminate tariffs rapidly, open services markets, and eliminate nontariff barriers more comprehensively than earlier FTAs.

The Chamber commissioned an economic analysis of the relationship between FTAs and job creation.[1234] It employed a computable general equilibrium economic model used by economists worldwide known as the Global Trade Analysis Project (GTAP), which is also used by the ITC. The results are impressive. The increased trade brought about by these FTAs boosted U.S. output by more than $300 billion — enough to support 5.4 million U.S. jobs. This is a remarkable record.

No trade agreement is perfect, and the TPP is no exception. The Chamber is disappointed at the TPP's limited term of protection for IP relating to biologics and the fact that the TPP's rules regarding the "forced localization" of data do not extend to financial services. The TPP also includes a number of "carveouts" that deny specific products and sectors the benefit of the agreement's rules and tariff elimination.

We have strongly encouraged the Obama administration to work with Congress to address legitimate concerns expressed by industry and legislators to achieve the highest possible standards for American workers and businesses.

Addressing these ongoing concerns will be necessary, in our view, to secure the political support necessary for congressional passage. Working together we hope to ensure the agreement secures strong bipartisan approval. Thank you.

U.S. Dairy Export Federation

No written summary. Please see EDIS for full submission.

[1234] U.S. Chamber of Commerce, Opening Markets, Creating Jobs: Estimated U.S. Employment Effects of Trade with FTA Partners, May 14, 2010: https://www.uschamber.com/report/opening-markets-creating-jobs-estimated-us-employment-effects-trade-fta-partners, viewed on January 20, 2015.

U.S.-Japan Business Council

No written summary. Please see EDIS for full submission.

U.S. Meat Export Federation, National Cattleman's Beef Association, and North American Meat Institute

For the U.S. beef industry, Japan and Vietnam are the countries where significant export gains for beef will be possible through the elimination or reduction of existing tariffs and related import restrictions. Japan is the U.S. beef industry's largest export market, valued at $1.3 billion in 2015. Currently, Japan maintains the highest tariffs on imports of beef from the U.S. of any of our major export markets. Under the terms of the TPP, Japan agreed to reduce its tariff on imports of chilled and frozen beef from 38.5 percent to 9 percent over 15 years. The reduction in the tariff is expected to result in increased per capita beef consumption and associated commercially significant opportunities for increased U.S. beef exports to Japan.

Japan signed an Economic Partnership Agreement with Australia, our principal competitor, before concluding the TPP negotiations. Currently, Japan's tariffs on frozen and chilled beef imports from Australia are 10 and 7 percentage points less than the tariff charged on imports of U.S. beef. This tariff advantage will continue to widen, putting U.S. beef exports at a significant commercial disadvantage, until the TPP is implemented and Japan implements a common tariff on beef imports from all TPP countries. Partly reflecting Australia's tariff advantage, Japan's imports of U.S. beef decreased by 11% in 2015 (to $1.34 billion; 198,500 mt) while imports from Australia increased by 7% to $1.76 billion (314,330 mt, +3%). Thus the loss to the U.S. beef industry of $168 million during the first year of the JAEPA signifies the urgency in implementing TPP.

Although Vietnam is currently a much smaller market for U.S. beef, valued at $32 million in 2015, through TPP tariffs would be eliminated in 3 years for beef and 5 years for variety meats (from 15% and 20% for boneless and bone-in beef and 10% for variety meats). Similar to the situation in Japan, U.S. beef is currently at a disadvantage in Vietnam, where Australia and New Zealand benefit from an FTA agreement where duties on most commercially meaningful products are now 5% and will be eliminated by 2018. Thus there is potential to grow U.S. beef exports to Japan and Vietnam with the reduction in import duties, but there is also an urgency for implementing TPP to overcome the current tariff disadvantages facing U.S. beef.

For Mexico and Canada, the U.S. will lose its preferential advantage as duties will be eliminated for beef imports from our primary competitors, Australia and New Zealand. But our analysis indicates that the benefits of the TPP Agreement for the beef industry are likely to outweigh the costs. Besides significant gains in Japan and Vietnam, U.S. beef could also benefit from improved market access in countries that join TPP in the future. Such an interest has been expressed by major beef importers, including Taiwan, the Philippines, and Indonesia. Moreover, we also have good reason to believe that the broader value of the Agreement in setting a new, higher standard for future trade agreements will bring future benefits to our industry.

U.S. Dairy Export Council and the National Milk Producers Federation

Our industry determined early during the TransPacific Partnership (TPP) talks that substantial new dairy access gains would be vital to avoid an overall negative outcome for our sector. We were not willing to accept a result that opened our market to our major competitors (New Zealand and Australia) if at the same time other TPP dairy markets (mainly Japan and Canada) were permitted to largely block meaningful new access to our dairy products.

Based on our ongoing review of the terms of the agreement, it appears that our industry avoided the type of disproportionate one-way street outcome about which we were so deeply concerned. At the same time, we remain troubled by the lost opportunity to significantly pry open the long-sheltered dairy markets in Japan and Canada.

The two most important non-tariff achievements of this agreement are the sanitary and phytosanitary (SPS) chapter and the intellectual property chapter's provisions on geographical indications.

TPP is the first U.S. trade agreement to include rules and disciplines on SPS measures that go beyond those contained in the WTO SPS Agreement and are nearly all enforceable. Improvements were achieved in the areas of science and risk analysis, equivalence, import checks and transparency.

The TPP's GI provisions establish a more equitable and transparent international model for GI registrations than the EU's highly protectionist approach. Side letters with several TPP parties involved in trade negotiations with the EU should help avoid new inappropriate GI barriers to U.S. exports.

These achievements may be difficult to quantify in the ITC's modeling, but are relevant to TPP's expected economic impact. Our analysis of the agreement remains underway while we continue to pursue certain implementation issues with the Administration. We have, however, identified a number of factors that are relevant to any such assessment, which we urge the USITC to take into account in its analysis:

- The impact, both economic and precedential, of U.S. dairy tariff elimination granted to Japan despite a lack of reciprocal open access to Japan's dairy market;
- The impacts on U.S. sales in existing FTA partner markets, such as Mexico and Peru;
- The impact of U.S. tariff elimination on milk powders granted to New Zealand & Australia;
- The impact of U.S. tariff elimination on specific cheese TRQs granted to Canada, New Zealand & Australia;
- The level of dairy imports from Canada;
- The impact on U.S. exports in light of TPP-region competition from NZ and Australia;
- The degree of flexibility created by the agreement's rules of origin;
- The impact on TPP results given the likelihood of EU FTAs in the TPP region;
- The likelihood of intentionally obstructive regulatory barriers arising; and, finally,
- The use of new TPP dairy safeguard provisions by the U.S.

We stand ready to work with ITC analysts to discuss these recommendations and the best approach to economic modeling in the dairy sector.

Union for Affordable Cancer Treatment

No written summary. Please see EDIS for full submission.

United Parcel Service

No written summary. Please see EDIS for full submission.

United States Conference of Mayors

No written summary. Please see EDIS for full submission.

United States Council for International Business

The United States Council for International Business (USCIB) believes that the Trans-Pacific Partnership (TPP) agreement will contribute substantially to economic growth in the United States and the Asia-Pacific region, cement U.S. global leadership, and provide significant new opportunities for U.S. businesses, workers and farmers. However there are provisions in the agreement that limit or exclude protections for certain sectors and we strongly encourage the Administration to address these issues. These negative outcomes should not be used as a baseline for future agreements.

Market Access: The TPP expands market access in the region through elimination of tariff and non-tariff barriers, as well as breaking new ground in addressing growing regulatory impediments to trade. The TPP goods provisions, combined with the many other market opening provisions, will remove much of the cost, time and complexity currently hindering international trade.

Customs and Trade Facilitation: The TPP provides important commitments to facilitate, simplify, and speed the flow of goods across borders, however does not include a specific de minimis threshold for low-value shipments into the United States – USCIB supports the establishment of a USD $800 threshold.

Investment: The investment chapter covers all of the core obligations found in our U.S. Model BIT, including investor-state dispute settlement (ISDS), as well as many safeguards. We are pleased that the chapter has a broad definition of covered investments; however it could be improved by not limiting investment and access to related remedies by excluding specific industries.

Services/Financial Services: The TPP provides more comprehensive opening of markets through negative lists that expand the scope of opportunities for many U.S. service providers, though there are limitations for some sectors. While there are some benefits for the financial services industry in terms of market access, the sector has been excluded from the data flow and data localization provisions and access to ISDS, and will be affected by Malaysia's "national interest" exception.

E-Commerce and Data Flows: The newly binding commitments in the TPP regarding data flows and server location are extremely important to our membership, including for the financial services sector, which was excluded from this important provision.

State-Owned Enterprises: The TPP is the first trade agreement to make a serious effort to address these challenging issues of SOEs. While we would have welcomed more disciplines on subsidies and other areas of preferential treatment, we commend the chapter as a good first step in this emerging area.

Intellectual Property Rights: IP protection is vital in order for the innovative industry of the United States to thrive. While this chapter's high-standard provisions in many areas provide great benefits for most industries, such as including provisions for data protection for agricultural chemical regulatory data for 10 years, in the biologic pharmaceuticals sector TPP fails to provide 12 years of protection, as is provided in the United States.

United States Fashion Industry Association

No written summary. Please see EDIS for full submission.

United Steelworkers

The Trans Pacific Partnership (TPP) will have a serious adverse impact on production, employment and wages here in the U.S., thereby undermining our economy and our national security.

The TPP fails to promote the economic interests of the United States in a number of fundamental ways:

1. The TPP fails to sufficiently advance labor rights and offers only false promises of progress. The TPP provisions limit the ability to guarantee that International Labor Organization (ILO) standards, as defined in the Conventions, will be the basis for workers' rights in the TPP countries.

In multiple instances, the Chapter on workers' rights includes terminology such as "may", "endeavor" and "as appropriate." The result is that countries can do little, if anything, to comply with their TPP commitments.

2. The TPP will have a serious adverse impact on domestic manufacturing. The agreement supports the global supply chains of multinational companies through continued outsourcing of production and offshoring of jobs.

The Rules of Origin in the auto and auto parts sector will have a significant long-term adverse impact on domestic production and employment. The TPP includes only a 45% requirement so that a majority of a vehicle's value could come from parts produced in China or other non-TPP countries and be considered to be "Made in America" for purposes of export to another TPP country.

The agreement also includes a new subset of parts – including bodies made of steel, aluminum or other materials, laminated auto glass and other products – that may be treated as produced within the TPP whether or not a majority of their content is actually produced in a TPP country. This provision could further reduce the already inadequate 45% threshold to a level potentially as low as 35 or 30%. This will lead to the substantial loss of jobs in the auto parts, components and materials sourcing sector.

The provisions seeking to provide new disciplines on state-owned enterprises (SOEs) will have little impact in reigning in their increasing competitive threat. Existing support for SOEs by our

TPP partners has been substantial but not actionable, and any support that is provided prior to implementation of the agreement will be protected.

The TPP also fails to include enforceable disciplines on currency manipulation, which has, and will continue to have serious consequences for U.S. manufacturing.

The steel sector will also face additional problems as the TPP also fails to address rising global over-capacity in the sector. This is the single greatest threat to commodity producers such as steel. Additionally, Vietnam is able to continue its existing tariffs on the import of steel into its market for 13 years while the U.S. market remains open to imports.

The TPP includes no integrated enforcement measures and existing U.S. enforcement infrastructure is insufficient. Even the best rules, if left unenforced or inadequately enforced, will lead to further decimation of domestic manufacturing with the subsequent loss of jobs and increased income inequality inevitably following as a result.

Universal Leaf Tobacco Company, Inc.

No written summary. Please see EDIS for full submission.

USA Rice Federation

No written summary. Please see EDIS for full submission.

Professor J. Robert Vastine

No written summary. Please see EDIS for full submission.

Vezta Triumph Ltd.

Introduction

My company, Vezta Triumph Ltd., works closely with Southern U.S. small businesses that are often part of the supply chains of larger U.S. corporations. Our job is to help them overcome the obstacles to international trade. The recently finalized Trans-Pacific Partnership will allow small U.S. manufacturers to enter global markets both via their continued relationships with multinationals and independently.

Barriers to Trade

While multinationals have the capacity to independently climb the barriers required to enter new markets, and they can withstand high international tariffs without marked price increases, those obstacles are often cost-prohibitive for small businesses. It is difficult for small business to enter new markets and engage in international trade with these barriers.

Benefits to Trade

The Trans-Pacific Partnership will allow U.S. small businesses to have access to new markets, reduced tariffs, and improve international corporate governance standards to help businesses of all sizes. TPP will also be a win-win for American manufacturing, as the elimination of all tariffs on U.S. manufactured goods will increase small businesses' ability to sell their products abroad and produce jobs here at home.

Conclusion

It is through helping U.S. businesses that we can make our nation's economy stronger overall. TPP is critical for small businesses and the workers they employ. TPP will help small businesses expand overseas and create more jobs across the country.

W.S. Darley & Co.

Introduction

My company, W.S. Darley & Company, sells fire pumps, fire trucks, and emergency response equipment to over 100 countries each year. It is difficult to operate on a level playing field in certain countries where tariffs and other trade barriers make selling difficult. The Trans-Pacific Partnership will help small businesses like mine overcome these barriers to compete in the global economy.

Barrier to Trade

Currently, high tariffs and other trade barriers make selling our products overseas very difficult, as the cost of doing business in those countries is too high. As a result of this difficulty in entering new markets, it is virtually impossible to compete with the domestic suppliers in those countries.

Benefits to Trade

The recently finalized Trans-Pacific Partnership would allow us, and other businesses across the country, to more easily enter new markets by reducing or eliminating tariffs placed on our goods. This will enable us to create more jobs here in the U.S. and contribute to the development of a more prosperous economy.

Conclusion

The success of my business depends on strong trade agreements that provide companies across America with a level playing field in foreign trade. The lower barriers to trade that come with TPP are good for small businesses like mine and good for U.S. jobs.

Wal-Mart Stores

No written summary. Please see EDIS for full submission.

Wiley Rein LLP

No written summary. Please see EDIS for full submission.

Wine Institute

No written summary. Please see EDIS for full submission.

Appendix E
Nonconforming Measures

Nonconforming Measures

The following tables provide a breakdown of nonconforming measures (NCMs) from TPP's Annex I and Annex II, by country and sector. Table E.1 lists TPP parties that have scheduled NCMs in particular sectors. Tables E.2 through E.13 list these same NCMs by country and provide more detailed information on each specific restriction, the annex in which it is located, and the relevant obligations. NCMs in Annex I are measures which would violate certain provisions in the TPP Investment (TPP Chapter 9) or Cross-border Trade in Services (TPP Chapter 10) chapters, but that TPP parties wish to keep in force (for example, foreign equity caps in certain sectors that violate national treatment provisions). By listing an NCM in Annex I, the party commits to a "standstill" whereby the measure will not become more restrictive in the future. It also commits to a "ratchet," meaning that if a measure is altered to become less restrictive in the future, that new level of restrictiveness will become the benchmark for the standstill requirement.

Annex II contains a list of reservations which enable TPP parties to preserve discretion for maintaining current NCMs or adopting new restrictions in the future. In addition to Annexes I and II, there are separate annexes with NCMs for financial services (Annex III) and state-owned enterprises (Annex IV). Sector-specific annexes, and annexes that only apply to particular TPP chapters are discussed separately in their corresponding sections of this report. Air transportation services for all countries (with the exception of specialty air services) are exempt from the provisions in the TPP Cross-border Trade in Services and Investment chapters.

Table E.1: TPP members that have nonconforming measures in particular sectors

Sector	Countries with NCMs in Annex I or II
Accounting, auditing, and bookkeeping services	Australia, Brunei, Canada, Chile, Japan, Peru, United States, Vietnam
Advertising services	Peru
Aerospace and services incidental to aerospace	Japan
Agriculture and services incidental to agriculture	Australia, Brunei, Japan, Mexico, New Zealand, Vietnam
Air transport	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Architectural services	Brunei, Canada, Japan, Malaysia, Peru, United States
Arms and explosives	Chile, Japan, Malaysia, Mexico, Singapore
Audiovisual services - see also printing and publishing	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam
Coal	Brunei
Construction and engineering services	Brunei, Chile, Japan, Malaysia, Mexico, United States, Vietnam
Courier services	Brunei, Mexico
Distribution services	Australia, Brunei, Canada, Japan, Malaysia, Mexico, New Zealand, Singapore, Vietnam
Educational services	Australia, Brunei, Chile, Japan, Malaysia, Mexico, Peru, Singapore, United States, Vietnam
Energy (including nuclear energy) - see also oil and gas, pipeline transport, and services incidental to energy distribution	Chile, Japan, Malaysia, Mexico, New Zealand, United States
Engineering services (including integrated engineering services)	Brunei, Canada, Malaysia, Singapore, United States
Environmental services	Brunei, Chile, Malaysia, Mexico, Peru, Singapore
Financial services	Australia, Japan, Malaysia, Mexico, New Zealand, Singapore, Vietnam
Fishing, and services incidental to fishing - see also maritime transport services	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, United States, Vietnam
Forestry, hunting and services incidental to forestry	Brunei, Japan, Mexico, Vietnam
Health–related and social services	Australia, Brunei, Canada, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Investigation and security	Brunei, Canada, Chile, Japan, Mexico, Peru, Singapore, United States, Vietnam
Legal services	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Management consulting service	Canada
Manufacturing, and services incidental to manufacturing	Brunei, Japan, Malaysia, Peru, Singapore, Vietnam
Maritime transport services (including internal waterways transport) - see also fishing	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Mining, and services incidental to mining	Brunei, Canada, Chile, Japan, United States, Vietnam
Oil and gas - see also energy, services incidental to energy distribution, and pipeline transport	Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Vietnam
Other business services	Brunei, Canada, Japan, Mexico, New Zealand, Singapore, United States, Vietnam
Other professional services	Australia, Canada, Chile
Pipeline transport - see also oil and gas, energy and services incidental to energy distribution	Chile, Malaysia, Mexico, Singapore, Vietnam
Placement and supply services of personnel	Brunei, Canada, Japan, Singapore, United States, Vietnam
Postal services	Japan, Mexico, Singapore

Sector	Countries with NCMs in Annex I or II
Printing and publishing - see also audiovisual services	Australia, Brunei, Chile, Mexico, Singapore, Vietnam
Rail transport	Brunei, Japan, Mexico, Singapore, United States, Vietnam
Real estate services	Brunei, Canada, Japan, Malaysia, Mexico, New Zealand. Singapore, United States, Vietnam
Recreational, cultural and sporting services (except audiovisual services)	Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Related scientific and technical consulting services	Canada
Rental/leasing services without operators	Mexico, Peru, Singapore
Research and development services	Chile, New Zealand, Peru
Road transport	Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, United States, Vietnam
Services incidental to energy distribution - see also oil and gas, energy and pipeline transport	Brunei, Japan, Malaysia, Mexico, New Zealand, Singapore, Vietnam
Services auxiliary to all modes of transport	Japan, Malaysia, Mexico, Peru, Singapore, Vietnam
Space transport	Japan, United States, Vietnam
Taxation services	Vietnam
Technical testing and analysis services	Brunei, Japan, New Zealand, Singapore, Vietnam
Telecommunications services	Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam
Tourism and travel services	Brunei, Canada, Malaysia, Mexico, Peru, Singapore, Vietnam
Urban planning and landscape architectural services	Brunei, Canada, Peru
Veterinary services	Vietnam

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Exempt Sectors Due to NCMs in Annex I and Annex II, by Country

Table E.2: Australia nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I	Local presence (Art. 10.6)	Residency requirements for auditors and liquidators.
Agriculture and services incidental to agriculture	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Australia reserves the right to adopt or maintain any measure to allow screening of investment proposals for agribusiness above a certain value.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Total foreign ownership of individual Australian international airlines is restricted to a maximum of 49 percent; citizenship and local presence requirements for board members and head office; Australia reserves the right to adopt or maintain any measure regarding investment in airports, any measure regarding ground handling or airport operation services.

Sector	Annex	Obligations concerned	Measure
		Market access (Art. 10.5) Local presence (Art. 10.6)	
Audiovisual Services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Market access (Art. 10.5) Local presence (Art. 10.6)	Australia reserves the right to adopt or maintain any measure regarding transmission quotas for local content, spectrum management, subsidies, or preferential co-production arrangements.
Distribution services	Annex II	Market access (Art. 10.5)	Australia reserves the right to adopt or maintain any measure regarding wholesale and retail trade services of tobacco products, alcoholic beverages, or firearms.
Educational services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Australia reserves the right to adopt or maintain any measure regarding primary education.
Financial services	Annex I	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Notification and approval required for foreign investment resulting in practical control of a financial sector company.
Fishing and services incidental to fishing	Annex I	National treatment (Art. 9.4 and 10.3)	Approval required for fishing; authorized foreign vessels may be subject to a levy.
Health-related and social services	Annex I	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Citizenship requirements for directors of Commonwealth Serum Laboratories; the CSL main office must remain located in Australia.
Legal services	Annex I	Local presence (Art. 10.6)	Residency requirements for patent attorneys.
Maritime transport services (including internal waterways)	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Registered ships must be majority Australian-owned; residency requirements for certain occupations; Australia reserves the right to adopt or maintain of maintain any measure regarding cabotage and offshore transport.
Other professional services	Annex I	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4)	Citizenship and residency requirements for migration agents; notification required for foreign investments in human resources.
Recreational, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Australia reserves the right to adopt or maintain any measure regarding creative arts and cultural heritage; any measure regarding gambling.

Sector	Annex	Obligations concerned	Measure
		Local presence (Art. 10.6)	
Telecommunications services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Market access (Art. 10.5) Local presence (Art. 10.6)	Approval required for foreign investment over a certain threshold; limits on foreign ownership of certain companies; additional requirements pertaining to citizenship of directors and local presence; notification required for manufacture or supply of encryption and security technologies and communication systems.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.3: Brunei nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I	National treatment (Art. 9.4 and 10.3) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5)	Financial auditing may not be provided by foreigners except through a partnership or joint venture; authorization required.
Agriculture and services incidental to agriculture	Annex I	Performance requirements (Art. 9.10)	Performance requirements, technology transfer, preference for local goods; limits on foreign ownership; requirements for foreign investors at certain agricultural sites.
Air transport	Annex I Annex II	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5)	Joint venture requirements, limits on foreign ownership, technology transfer requirements, nationality requirement for senior managers, limits on the number of firms in specialty air services.
All sectors	Annex I	National treatment (Art. 9.4) Senior Management and Board of Directors (Art. 9.11)	Foreigners may not establish sole proprietorships; approval needed for partnerships; limits on foreign board members.
Architectural services	Annex I	National treatment (Art. 9.4 and 10.3) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Residency or partnership requirements for providing architectural services.
Audiovisual services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior Management and Board of Directors (Art. 9.11)	Brunei reserves the right to maintain or adopt any measure regarding licensable broadcasting and video services.
Coal	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10)	Brunei reserves the right to adopt or maintain any measure regarding development or exploitation of coal reserves.

Sector	Annex	Obligations concerned	Measure
		Senior Management and Board of Directors (Art. 9.11)	
Construction and engineering services	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Local presence (Art. 10.6)	Local presence and technology transfer requirements; limits on foreign ownership apply to different levels of investment.
Courier services	Annex I	National treatment (Art. 9.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Joint venture requirements for courier services, including express delivery services.
Distribution services	Annex II	Market access (Art. 10.5)	Brunei reserves the right to maintain or adopt any measure regarding tobacco.
Educational services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Joint venture, technology transfer, and authorization required for educational services providers; the majority of senior managers must be Bruneian nationals; Brunei reserves the right to maintain or adopt any measure regarding private educational services.
Engineering services (including integrated engineering)	Annex I	National treatment (Art. 9.4 and 10.3) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Residency or partnership requirements for providing engineering services (including integrated engineering).
Environmental services	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Local presence (Art. 10.6)	Local presence and technology transfer requirements for provision of environmental protection and related services (including waste management); limits on foreign ownership apply to different levels of investment.
Fishing and services incidental to fishing	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10)	Requirements for foreign investors in fishing at certain sites, preference for local goods, technology transfer; Brunei reserves the right to adopt or maintain any measure regarding fishing, including any differential treatment to foreign nationals.
Forestry and services incidental to forestry	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Market access (Art. 10.5)	Performance requirements, technology transfer, preference for local goods; limits on foreign ownership; requirements for foreign investors in fishing at certain sites; Brunei reserves the right to adopt or maintain any measure regarding logging.
Health-related and social services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Medical providers must work in Brunei for 6 years; Brunei reserves the right to maintain or adopt any measure regarding private medical practices.
Investigation and security services	Annex I	Local presence (Art. 10.6)	Foreign nationals cannot provide guard services unless they establish a local enterprise.
Legal services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior Management and Board of	Legal services may not be provided by foreigners except in international law and home country law; partnerships required; Brunei reserves the

Sector	Annex	Obligations concerned	Measure
		Directors (Art. 9.11) Market access (Art. 10.5)	right to maintain or adopt any measure regarding representation of taxpayers.
Manufacturing and services incidental to manufacturing	Annex I	Performance requirements (Art. 9.10)	Performance requirements, technology transfer, preference for local goods; limits on foreign ownership; requirements for foreign investors in manufacturing at certain sites.
Maritime transport services (including internal waterways)	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Senior Management and Board of Directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Joint venture requirement, nationality requirement for senior managers, technology transfer requirements, limits on foreign ownership for maritime passenger and freight transportation; joint venture requirements, nationality requirements for senior managers, limits on foreign ownership, limits on the number of firms in maritime auxiliary services.
Mining and services incidental to mining	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Authorization required for sand and gravel mining (except silica sand), including services auxiliary to mining; any sand (apart from silica sand) or gravel mined in Brunei is not allowed to be exported; Brunei reserves the right to adopt or maintain any measure regarding silica sand deposits, including mining, quarrying, manufacture and export of such deposits.
Oil and gas	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior Management and Board of Directors (Art. 9.11) Local presence (Art. 10.6) Most-favored-nation treatment (Art. 9.5)	Requirements for obtaining exploration, exploitation, development, and production rights for petroleum; petroleum remains exclusively owned by the state; foreign operators in the oil and gas industry may be required to reserve a portion of natural gas or other petrochemical products for domestic use; citizenship and residency requirements for management positions; Brunei reserves the right to exercise discretion in petroleum investment, including affording differential treatment to investors.
Other business services	Annex I	National treatment (10.3)	Approval is required to provide trade fair organizing services.
Placement and supply services of personnel	Annex I	National treatment (Art. 9.4) Local presence (Art. 10.6)	Foreign nationals cannot provide placement services except through local agents.
Printing and publishing	Annex II	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Brunei reserves the right to adopt or maintain any measure regarding the printing or publishing of newspapers.
Printing and publishing services	Annex II	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Brunei reserves the right to maintain or adopt any measure regarding newspapers.
Rail transport	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Joint venture requirements; limits on foreign ownership; technology transfer requirements; nationality requirement for senior managers for rail transport services.

Sector	Annex	Obligations concerned	Measure
Real estate services	Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Brunei reserves the right to adopt or maintain any measure regarding valuers or appraisers.
Road transport	Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Brunei reserves the right to maintain or adopt any measure regarding road transport.
Services incidental to energy distribution	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11)	Brunei reserves the right to maintain or adopt any measure regarding power generation and transmission.
Technical testing and analysis services	Annex I	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6))	Residency or partnership requirements for providing technical testing and analysis services.
Telecommunications services	Annex I	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Performance requirements (Art. 9.10) Local presence (Art. 10.6)	Local presence, licensing, and partnership requirements for telecommunication services; prior approval for majority foreign ownership in telecommunication enterprises; other performance requirements.
Tourism and travel services	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11) Market access (Art. 10.5)	Joint venture requirement, nationality requirement for senior managers, local supplier preference for hotels and accommodation; foreign nationals cannot establish travel agencies; limits on foreign ownership for tour operator services.
Urban planning and landscape architectural services	Annex I	National treatment (Art. 9.4 and 10.3) Senior management and board of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Residency or partnership requirements for providing urban planning and landscape architecture services.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.4: Canada nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Restrictions on foreign ownership and operation of Canadian-registered aircraft, domestic air services, and Air Canada; local presence and requirements for aircraft repair and maintenance services; authorization required for specialty air services; reciprocity requirements for recognition of repair and maintenance credentials; Canada reserves the right to adopt or maintain any measure regarding marketing, ground handling services, and airport operation services.
Architectural services	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces.
Audiovisual services	Annex I Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Restrictions on ownership and control of audiovisual services for the protection of cultural industries; Canada reserves the right to adopt or maintain any measure that affects cultural industries including local content requirements.
Distribution services	Annex I	National treatment (Art. 9.4) Local presence (Art. 10.6)	Citizenship, economic needs tests, and local presence requirements for certain provinces, including local presence requirements for import and export permits.
Engineering services (including integrated engineering)	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces; Canada reserves the right to adopt or maintain any market access measure for integrated engineering services.
Fishing and services incidental to fishing	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4)	Canada reserves the right to adopt or maintain any measure regarding licensing for fishing or fishing related activities.
Health-related and social services	Annex I	National treatment (Art. 9.4)	Limits on foreign ownership of Nordion.
Investigation and security services	Annex I	Local presence (Art. 10.6) Senior management and board of directors (Art. 9.11)	Residency requirements and restrictions on senior management and boards of directors for certain provinces.
Legal services	Annex I	Local presence (Art. 10.6)	Residency and registration requirements for patent agents and trademark application processors.
Management consulting services	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces.
Maritime transport services (including internal waterways)	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10)	Residency and citizenship requirements for ship registry, crew registry, and to supply pilotage services; local presence requirements for shipping conference members; Canada reserves the right to adopt or maintain any measure regarding cabotage, agreements with other

Sector	Annex	Obligations concerned	Measure
		Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	countries involving maritime transport services (including internal waterways), reciprocity for benefits accorded to investors, and statutory inspections.
Mining, and services incidental to mining	Annex I	National treatment (Art. 9.4)	Limits on foreign ownership of uranium mines.
Oil and gas	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10) Local presence (Art. 10.6) Most-favored-nation treatment (Art. 9.5)	Oil and gas production licenses must be held by entities incorporated in Canada; limits on foreign ownership of Cameco; local incorporation requirements for production licenses and shareholding; “benefits plan” requirement; Canada may impose a requirement or enforce a commitment or undertaking for the transfer of technology.
Other business services	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Nationality requirements for customs brokers and duty-free shop operators; residency requirement for examiners of cultural property; other residency and local presence requirements for certain provinces.
Placement and supply services of personnel	Annex I	Local presence (Art. 10.6)	Local presence requirements for certain provinces.
Real estate services	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces.
Recreation, cultural and sporting services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Restrictions on ownership and control of audiovisual services for the protection of cultural industries; Canada reserves the right to adopt or maintain any measure that affects cultural industries including local content requirements.
Related scientific and technical consulting services	Annex I	Local presence (Art. 10.6) Senior management and board of directors (Art. 9.11)	Residency and citizenship requirements, restrictions on senior management and boards of directors for certain provinces.
Road transport	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Nationality and local presence requirements for cabotage in truck or bus services, local presence requirements and economic needs tests in certain provinces.
Telecommunications services	Annex I Annex II	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Limits on foreign investment in telecommunications services; restrictions on foreign ownership and control; nationality requirements for boards of directors; additional restrictions in certain provinces.
Tourism and travel services	Annex I	National treatment (Art. 9.4) Local presence (Art. 10.6)	Residency, citizenship, local presence, and special taxation requirements for certain provinces.
Urban planning and landscape architecture services	Annex I	Local presence (Art. 10.6)	Residency requirements for certain provinces.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.5: Chile nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I Annex II	National treatment (Art. 10.3) Local presence (Art. 10.6) Market access (Art. 10.5)	Registration requirements for external auditors of financial institutions.
Air transport	Annex I Annex II	National treatment (Art. 10.3 and 9.4) Most-favored-nation treatment (Art. 10.4 and 9.5) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Nationality requirements for aircraft registry, majority ownership must be Chilean; residency requirements for president and managers, nationality requirements for majority of directors and/or administrators; time limits and authorization requirements for foreign aircraft to remain in Chile; reciprocity requirements for the recognition of foreign aviation-related licenses and provision of air services by foreign companies; Chile reserves the right to adopt or maintain any market access measure related to the repair and maintenance of aircraft.
Arms and explosives	Annex I	Most-favored-nation treatment (Art. 9.5 and 10.4)	Registration and authorization required for importing or owning fireworks, firearms or other explosives.
Audiovisual services	Annex I Annex II	Most-favored-nation treatment (Art. 9.5 and 10.4)	Limits on ownership and nationality of board members of public radio broadcasters; local content requirements; Chile reserves the right to adopt or maintain any measure related to protection for cultural industries.
Construction and engineering services	Annex II	National treatment (Art. 10.3) Local presence (Art. 10.6)	Chile reserves the right to adopt or maintain any measure regarding construction and engineering services.
Educational services	Annex II	National treatment (Art. 10.3 and 9.4) Most-favored-nation treatment (Art. 10.4 and 9.5) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Chile reserves the right to adopt or maintain any measure regarding educational services.
Energy (including nuclear)	Annex I	National treatment (Art. 9.4)	Authorization and partnerships required for the production of nuclear energy.
Environmental services	Annex II	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Chile reserves the right to adopt or maintain any measure regarding sanitation.
Fishing and services incidental to fishing	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Nationality and residency requirements for authorization to carry out aquaculture activities and harvest aquatic species; nationality requirements for fishing in territorial waters and registering vessels; Chile reserves the right to control the activities of foreign fishing, use of land and sea-bed for issuance of maritime concessions.
Investigation and security services	Annex I	National treatment (Art. 10.3)	Nationality requirements for private security guards.
Legal services	Annex I	National treatment (Art. 10.3)	Nationality and residency requirements for

Sector	Annex	Obligations concerned	Measure
	Annex II	Local presence (Art. 10.6) Market access (Art. 10.5)	certain legal services; legal studies must be completed in Chile; authorization and residency restrictions for bankruptcy receivers.
Maritime transport services (including internal waterways)	Annex I	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Cabotage is limited to Chilean vessels; reciprocity requirements for international cargo transport; residency requirements for vessel registrants, managers, and owners; foreign vessels must use Chilean pilotage services; nationality requirements for captains, shipping agents, and dockworkers; certain nationality and joint venture requirements apply to Chilean flagged vessels.
Mining	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Requirements for administrative concessions or special operating contracts in the extraction of lithium deposits; right of first refusal by Chile and other performance requirements for other mining including extraction through seawater.
Oil and gas	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Requirements for administrative concessions or special operating contracts in the production of hydrocarbons.
Other professional services	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Residency requirements for customs brokers.
Pipeline transport services	Annex II	Market access (Art. 10.5)	Nationality requirements for providers of pipeline transportation services; the supply of pipeline transportation services may be subject to a concession on a national treatment basis.
Printing and publishing	Annex I	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Nationality requirements for owners of media such as newspapers, magazines or other texts published in Chile; nationality or residency requirement for directors of media enterprises must also be Chilean nationals (depending on the language of publication).
Recreation, cultural and sporting services	Annex I Annex II	Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6)	Chile may establish regulations on certain forms of sporting organizations; and Chile reserves the right to adopt or maintain any measure regarding arts and cultural industries.
Research and devel opment services	Annex I Annex II	National treatment (Art. 10.3) Market access (Art. 10.5)	Authorization required for certain research services.
Road transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6)	Registration requirements for foreign land transportation service providers; international transportation service providers cannot supply local transportation services (cabotage); residency and ownership requirements for international land transport services.
Telecommunication services	Annex I Annex II	National treatment (Art. 10.3 and 9.4) Most-favored-nation treatment (Art. 10.4 and 9.5) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Nationality and residency requirements for owners and administrators of communications media; Chile reserves the right to adopt or maintain any measure related to satellite broadcasting, any market access measure involving international telecommunications not inconsistent with the GATS; concession required for local telecommunications and any entity

Sector	Annex	Obligations concerned	Measure
			routing international traffic in Chile.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.6: Japan nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Accounting and auditing service providers must be qualified under Japanese law, registered, and resident in Japan; limits on form for accounting services firms nationality requirements for notaries.
Aerospace, and services incidental to aerospace	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Prior notification and screening requirements for investments in the aircraft industry; numerical limits on licenses; local presence requirements for manufacture or repair aircraft; Japan reserves the right to adopt or maintain any measure regarding the investments in space industry including importing technology for development, production or use, production services, repair and maintenance services.
Agriculture, and services incidental to agriculture	Annex I	National treatment (Art. 9.4)	Prior notification and screening requirements for foreign investment in agriculture, forestry and related services; residency requirements for plant breeders.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Senior management and boards of directors (Art. 9.11)	Prior notification and screening requirements for investments in air transport services; nationality requirements for aircraft and certain air transport workers; restrictions on cabotage for foreign registered aircraft; authorization required for foreign aircraft in international air transport; foreign aircraft may not be registered in Japan; nationality requirements for pilots; Japan reserves the right to maintain and adopt any measure related to airport operations and ground handling services.
Architectural services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Architectural service providers must be qualified under Japanese law, and resident in Japan.
Arms and explosives	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure regarding the investment in arms industry and explosives manufacturing industry.
Audiovisual services	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Japan reserves the right to adopt or maintain any measure regarding broadcasting services.

Sector	Annex	Obligations concerned	Measure
		Local presence (Art. 10.6)	
Construction and engineering services	Annex I Annex II	Market access (Art. 10.5) Local presence (Art. 10.6)	Approval and local presence requirements for motor vehicle repair.
Distribution services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Licensing and residency requirements for public wholesalers, alcohol distribution; livestock dealers; Japan reserves the right to adopt or maintain any measure regarding tobacco, firearms, explosives, and aerospace.
Educational services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Restrictions on licensing and qualifications for education, including higher education; Japan reserves the right to adopt or maintain any measure regarding primary and secondary education.
Energy (including nuclear)	Annex II	National treatment (Art. 9.4 and 10.3)	Japan reserves the right to adopt or maintain any measure regarding investments or the supply of services in nuclear energy.
Financial services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure regarding minting and coinage.
Fishing	Annex I	National treatment (Art. 9.4)	Prior notification and screening requirements for foreign investment in fisheries, and related services.
Forestry and services incidental to forestry	Annex I	National treatment (Art. 9.4)	Prior notification and screening requirements for foreign investment in forestry, and related services; residency requirements for plant breeders.
Investigation and security services	Annex I	National treatment (Art. 9.4)	Prior notification and screening requirements for investments in security guard services.
Legal services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Legal service providers must be qualified under Japanese law, registered, and resident in Japan; limits on form for legal services firms; residency requirements for legal services providers in foreign law.
Manufacturing and services incidental to manufacturing	Annex I	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Authorization required for docks to manufacture or repair vessels; notification and screening requirements for investments in biological preparations manufacturing industry, in leather and leather products manufacturing industry Japan reserves the right to adopt or maintain any measure relating to investments in or manufacture of tobacco products.
Maritime transport services (including internal waterways)	Annex I	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Market access (Art. 10.5)	Economic needs tests for dock services; nationality requirements for Japanese flagged vessels; licensing requirements for maritime procedures agents; notification and screening requirements for investment in water transportation; reciprocity requirements for loading and unloading of cargo; authorization required for docks to manufacture or repair

Sector	Annex	Obligations concerned	Measure
			vessels; certain ports are closed to non-Japanese ships.
Mining and services incidental to mining	Annex I	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Nationality requirements for mining rights or mining lease rights.
Oil and gas	Annex I	National treatment (Art. 9.4)	Prior notification and screening requirements for foreign investment in the oil industry.
Other business services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	License and qualification requirements for collections agency services; licensing, qualifications, and residency requirements for surveyor services; local presence and licensing requirements for machine inspectors; residency requirements for vocational skills testers.
Placement and supply services of personnel	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Local presence and approval requirements for the placement and supply services of personnel.
Postal services	Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure regarding postal services.
Rail transport	Annex I	National treatment (Art. 10.3)	Screening and approval requirements for investments in rail transport.
Real estate services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Real estate service providers must be qualified and licensed under Japanese law, resident in Japan, and are subject to approval.
Recreation, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure regarding betting and gambling.
Road transport	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Local presence and approval requirements for motor vehicle repair and maintenance investment in road passenger transport; economic needs tests for motorway services.
Services auxiliary to all modes of transport	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Nationality and reciprocity requirements for approval of foreigners in international freight forwarding; local presence and approval requirements for customs brokerage.
Services incidental to energy distribution	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Most-favored-nation treatment (Art. 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure regarding investments or the supply of services in the electric utility industry, and gas utility industry.

Sector	Annex	Obligations concerned	Measure
Space transport	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Japan reserves the right to adopt or maintain any measure relating to the investments in space industry.
Technical testing and analysis services	Annex I	Market access (Art. 10.5) Local presence (Art. 10.6)	Local presence is required for measuring services.
Telecommunications services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Foreign ownership restrictions; nationality requirements for certain management positions; notification and screening requirements for investments in telecommunications and internet-based services; Japan reserves the right to adopt or maintain any measure regarding telegraph services.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.7: Malaysia nonconforming measures

Sector	Annex	Obligations concerned	Measure
Air transport	Annex II	National treatment (Art. 10.3 and 9.4) Local presence (Art. 10.6) Market access (Art. 10.5) Senior Board of Management and Directors (Art. 9.11)	Malaysia reserves the right to maintain or adopt any measure for passenger and freight, airport operations, repair and maintenance, and ground handling.
Architectural services	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Licensing requirements for architectural services; residency requirements for engineers; limits on legal form and ownership of firms.
Arms and explosives	Annex II	National treatment (Art. 9.4) Prohibition of Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Malaysia reserves the right to maintain or adopt any measures affecting the arms and explosives sector.
Audiovisual services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Review and prior approval required for certain media; protection for cultural industries.
Construction and engineering services	Annex I	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Limits on form and ownership; personnel quotas.
Distribution services	Annex I Annex II	National treatment (Art. 9.4 and 10.3)	Limits on firm activity and ownership; foreigners are prohibited from operating some retail

Sector	Annex	Obligations concerned	Measure
		Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	outlets; personnel quotas; foreigners cannot distribute fabric and motor vehicles; Malaysia reserves the right to maintain or adopt any measures for distribution of arms, explosives, rice, sugar, flour, automobiles, alcohol, and tobacco.
Educational activity	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Limits on activity for preschool, primary, secondary, and religious schools.
Energy (including nuclear)	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Malaysia reserves the right to adopt or maintain any measure related to nuclear energy including auxiliary services.
Engineering services (including integrated engineering)	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Residency requirements for engineers.
Environmental services	Annex II	National treatment (Art. 9.4)	Malaysia reserves the right to maintain or adopt any measures for sewage.
Financial services	Annex II	National treatment (Art. 9.4 and 10.3)	Malaysia reserves the right to maintain or adopt any measures to limit use of ringgits by non-residents.
Fishing and services incidental to fishing	Annex I Annex II	National treatment (Art. 10.3 and 9.4) Market access (Art. 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11)	Restrictions on foreign fishing vessels, loading and unloading, transshipment and fisheries research; licensing restrictions, authorization required; Malaysia reserves the right to adopt or maintain any measure related to fisheries.
Health-related and social services	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Limits on activity; local presence restrictions; authorization required.
Legal services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on the types of activity that can be performed by foreign law firms and the firms' legal form; patent and trademark agents must be residents; Malaysia reserves the right to adopt or maintain any measure related to Sharia law and mediation.
Manufacturing and services incidental to manufacturing	Annex I	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Limits on foreign ownership and investment in the manufacture of certain motor vehicles and batik fabric; export requirements for companies in free trade zones, petroleum refiners,

Sector	Annex	Obligations concerned	Measure
			manufacturers of optical discs; expansion of palm oil plantations, arms and explosives subject to approval and licensing restrictions; licensing restrictions on pineapple canning.
Maritime transport services (including internal waterways)	Annex I	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Limits on legal form of incorporation and ownership; restrictions on flagged vessels; limits on foreign senior management.
Oil and gas	Annex I Annex II	National treatment (Art. 10.3 and 9.4) Market access (Art. 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11)	Petronas maintains a monopoly on oil and gas exploration and is the exclusive owner of petroleum resources; local establishment and joint venture requirements for oil and gas activities; Malaysia reserves the right to adopt or maintain any measure related to power generation and hydrocarbons.
Pipeline transport services	Annex II	National treatment (Art. 10.3 and 9.4) Market access (Art. 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11)	Malaysia reserves the right to adopt or maintain any measure related to utilities.
Real estate services	Annex I	National treatment (Art. 10.3 and 9.4)	Residency requirements for valuers.
Recreational, cultural, and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Approval required for performing arts; protection for cultural industries; Malaysia reserves the right to maintain or adopt any measure regarding gambling.
Road transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Market access (Art. 10.5) Local presence (Art. 10.6)	Nationality restrictions on freight services providers; majority foreign ownership of freight providers prohibited; Malaysia reserves the right to maintain or adopt any measure regarding passenger and freight transport.
Services auxiliary to all modes of transport	Annex I	National treatment (Art. 10.3)	Foreigners cannot be customs agents.
Services incidental to energy distribution	Annex I	National treatment (Art. 10.3 and 9.4) Local presence (Art. 10.6) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Only supply authorities are authorized to operate any installation involving gas, water and electricity; residency and nationality requirements for supply of services in gas, water and electricity, and disposal of waste.
Telecommunications	Annex I	National treatment (Art. 9.4 and	Licensing requirements, with limits on firm

Sector	Annex	Obligations concerned	Measure
services		10.3) Local presence (Art. 10.6)	activity and firms' legal form; firms must be locally-incorporated.
Tourism and travel services	Annex I	National treatment (Art. 10.3)	Foreigners cannot be tourist guides.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.8: Mexico nonconforming measures

Sector	Annex	Obligations concerned	Measure
Agriculture and services incidental to agriculture	Annex I	National treatment (Art. 9.4)	Nationality requirements for land ownership for agriculture or livestock purposes; foreign ownership restrictions in enterprises owning such land; nationality requirements for ownership of enterprise involved in pesticide spraying.
Air transport	Annex I Annex II	Local presence (Art. 10.6) National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Foreign governments are not allowed to invest; residency and permit requirements for aircraft repair; only Mexican enterprises can operate airports and heliports; authorization required for foreign ownership of airfield operators; ownership limits and nationality requirements for operators of Mexican-registered aircraft; Mexico reserves the right to maintain or adopt any measure regarding market access for airport and heliport services.
Arms and explosives	Annex I	National treatment (Art. 9.4)	Restrictions on majority foreign ownership of manufacturers of explosives, fireworks, firearms, cartridges and ammunition (excluding the preparation of explosive mixtures for industrial and extractive activities).
Audiovisual services	Annex I Annex II	Most-favored-nation treatment (Art. 9.5 and 10.4) National treatment (Art. 10.3) Market access (Art. 10.5)	Local content requirements; film screening requires permit; quotas for educational and cultural content; some channels are reserved for public television signals.
Construction and engineering services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Authorization required for majority foreign ownership in energy-related construction; Mexico reserves the right to maintain or adopt any measure regarding market access.
Courier services	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Mexico reserves the right to maintain or adopt any measure regarding market access for courier services.
Distribution services	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Foreign ownership limits for retailers selling firearms; only Mexican establishments may sell gasoline and diesel fuel.
Educational services	Annex I Annex II	National treatment (Art. 9.4)	Authorization required for majority foreign ownership of educational institutions.
Energy (including nuclear)	Annex I Annex II	National treatment (Art. 9.4) Most-favored-nation treatment	Authorization required for majority foreign ownership in energy-related construction;

Sector	Annex	Obligations concerned	Measure
		(Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	restrictions on investment in nuclear energy.
Environmental services	Annex II	Market access (Art. 10.5)	Mexico reserves the right to maintain or adopt any measure regarding market access for cross-border trade.
Financial services	Annex II	Market access (Art. 10.5)	Mexico reserves the right to maintain or adopt any measure regarding minting or coining.
Fishing and services incidental to fishing	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6) Market access (Art. 10.5) Senior Board of Management and Directors (Art. 9.11)	Restrictions on majority foreign ownership of fishing enterprises; permits are required for fishing activities; Mexico reserves the right to maintain or adopt any measure regarding fishing.
Forestry and services incidental to forestry	Annex I	National treatment (Art. 9.4)	Nationality requirements for land ownership for forestry purposes; foreign ownership restrictions in enterprises owning such land.
Health-related and social services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5)	Only nationals can provide in-house medical services as doctors; Mexico reserves the right to maintain or adopt any measure regarding market access for cross-border trade.
Investigation and security services	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Mexico reserves the right to maintain or adopt any measure regarding market access for control, inspection and surveillance of ports.
Legal services	Annex I	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4)	Authorization required for majority ownership; reciprocity required for activities; limits on firms' legal form; only nationals can be notaries.
Maritime transport services (including internal waterways)	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6)	Foreign governments are not allowed to invest in certain activities; ownership limits for port administrators and port pilots; no foreign ownership of port inspectors; ownership limits for Mexican shipping enterprises; authorization required for majority ownership of port services providers, high-seas navigation and port towing; cabotage restricted to Mexican ship-owners with Mexican vessels; scheduled transport can be reserved for Mexican companies; reciprocity for high-seas navigation and inland navigation; nationality requirements for operating marine and river works, for captains and crew of flagged vessels and harbor pilots, for stevedores and warehousing providers, for port and shipyard operators.
Oil and gas	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art.	Private investment allowed only through contracts for the exploration and production of oil and other hydrocarbons, transmission, and

Sector	Annex	Obligations concerned	Measure
		9.10) Local presence (Art. 10.6) Market access (Art. 10.5) Most-favored-nation treatment (Art. 10.4)	distribution of electricity; the Mexican state remains the sole owner of hydrocarbon resources; Mexico reserves the right to adopt or maintain any measure regarding power generation or hydrocarbons.
Other business services	Annex II	Market access (Art. 10.5)	Mexico reserves the right to maintain or adopt any measure regarding market access for credit reporting.
Pipeline transport services	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Nationality requirement for pipeline operators; Mexico reserves the right to maintain or adopt any measure regarding utilities.
Postal services	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Restrictions on foreign ownership of telegraph and postal services.
Printing and publishing	Annex I	National treatment (Art. 9.4)	Restrictions on majority foreign ownership in printing or publication of newspapers.
Rail transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Authorization required for majority ownership of railroad operators; railway crew members must be nationals; Mexico reserves the right to maintain or adopt any measure regarding market access for tramway and subway transport.
Real estate services	Annex II	Market access (Art. 10.5)	Mexico reserves the right to maintain or adopt any measure regarding market access.
Recreational, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Mexico reserves the right to maintain or adopt any measure regarding gambling.
Rental and leasing services without operators	Annex II	Market access (Art. 10.5)	Mexico reserves the right to maintain or adopt any measure regarding market access for private cars, maritime, aircraft and other leasing.
Road transport	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6) Most-favored-nation treatment (Art. 10.4)	Foreign governments are not allowed to invest; nationality requirements for building and operating roads; nationality requirements for bus and truck station operators, and auxiliary road service providers; no foreign ownership for transport of domestic cargo (except courier services); nationality requirements for bus, tourist, truck transport, taxis, parcel and courier; nationality requirement for operating roads and bridges.
Services auxiliary to all modes of transport	Annex I	National treatment (Art. 9.4 and 10.3)	Only nationals can be customs brokers.
Telecommunications	Annex I	National treatment (Art. 9.4 and	Concessions required; foreign governments

Sector	Annex	Obligations concerned	Measure
services	Annex II	10.3) Local presence (Art. 10.6)	cannot invest in communications; incorporation required under Mexican law; ownership limits for broadcasters; authorization required; local physical presence required for internet traffic exchange points and control centers; part of spectrum is reserved, limits on spectrum resale.
Tourism and travel services	Annex II	Market access (Art. 10.5)	Permit required for tour operators.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.9: New Zealand nonconforming measures

Sector	Annex	Obligations concerned	Measure
Agriculture, including services incidental to agriculture	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Establishment of marketing authorities with monopoly marketing and acquisition powers for certain products; New Zealand reserves the right to adopt or maintain any measures regarding shares in certain dairy cooperatives; any measures regarding WTO rights for tariff quotas, country-specific preferences or other measures including wholesale distribution rights for agricultural products.
Air transport	Annex I	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11)	Nationality and residency requirements for New Zealand international airlines; limits on foreign ownership and nationality requirements for directors of Air New Zealand.
Audiovisual services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6) Performance requirements (Art. 9.10)	Approval required for acquisition of spectrum; preferential co-production arrangements for films; local content requirements.
Distribution services	Annex II	Market access (Art. 10.5) National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10)	New Zealand reserves the right to maintain or adopt any measures regarding tobacco and alcohol, and a government-endorsed allocation scheme for some agriculture exports.
Energy (including nuclear)	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	New Zealand reserves the right to adopt or maintain any measure regarding nuclear energy.
Financial services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of	New Zealand reserves the right to maintain or adopt any measures regarding compulsory social insurance and residential disaster insurance.

Sector	Annex	Obligations concerned	Measure
		directors (Art. 9.11) Local presence (Art. 10.6)	
Fishing and services incidental to fishing	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	New Zealand reserves the right to control any activities related to fishing and access to New Zealand ports.
Health-related and social services	Annex II	Most-favored-nation treatment (Art. 9.5 and 10.4)	New Zealand reserves the right to maintain or adopt any measures regarding adoption services.
Legal services	Annex I	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4)	Limits on registration of patent attorneys.
Maritime transport services (including internal waterways)	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	New Zealand reserves the right to maintain or adopt any measures regarding maritime concessions, cabotage, flagged vessels, and ship registration.
Other business services	Annex II	National treatment (Art. 9.4 and 10.3)	New Zealand reserves the right to maintain or adopt any measures related to firefighting.
Real estate services	Annex II	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	New Zealand reserves the right to maintain or adopt any measures related to residential real estate.
Recreational, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	New Zealand reserves the right to maintain or adopt any measures regarding gambling or cultural heritage.
Research and development services	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10)	New Zealand reserves the right to maintain or adopt any measures.
Technical testing and analysis services	Annex II	National treatment (Art. 9.4 and 10.3)	New Zealand reserves the right to maintain or adopt any measures.
Telecommunications	Annex I	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Approval required for majority foreign ownership; citizenship requirement for directors.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.10: Peru nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Licensing and residency requirements for public accountants.
Advertising services	Annex I Annex II	National treatment (Art. 10.3)	Local content requirements; limits on payroll for foreigners.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Senior management and boards of directors (Art. 9.11) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Residency requirement for national commercial aviation companies, directors, and operators; limits on foreign ownership; Peru reserves the right to maintain or adopt any measure regarding ground-handling services or airport operation.
Architectural services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5)	Registration fees are higher for foreign architects; non-residents must have contract with residents to obtain registration.
Audiovisual services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Most-favored-nation treatment (Art. 9.5 and 10.4)	Nationality and residency requirements for broadcasters; foreign shareholders in radio broadcasting cannot be authorized to broadcast in neighboring countries; local content requirements; limits on payroll for foreigners; reciprocity for certain services; protection for cultural industries; Peru may adopt or maintain any measure giving preferential treatment in the audiovisual and music sectors.
Educational services	Annex II	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Peru reserves the right to maintain or adopt any measure.
Environmental services	Annex II	Local presence (Art. 10.6)	Peru reserves the right to maintain or adopt any measure regarding the public water supply.
Fishing and services incidental to fishing	Annex I	National treatment (Art. 10.3)	Letters of guarantee required for foreign flagged fishing vessels; scientific observer requirements for foreign flagged vessels, 30 percent of crew must be Peruvian; Peru reserves the right to adopt or maintain any measure relating to artisanal fishing.
Health-related and social services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Peru reserves the right to maintain or adopt any measure regarding law enforcement, social security, social welfare, public health, childcare.
Investigation and security services	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Nationality requirements for the provision of security services.
Legal services	Annex I Annex II	Market access (Art. 10.5) National treatment (Art. 9.4 and 10.3)	Nationality requirement for notaries; limits on notary positions.
Manufacturing and services incidental to manufacturing	Annex II	Most-favored-nation treatment (Art. 9.4 and 10.4) Cross-Border Trade in Services and Investment (Art. 9.10)	Peru reserves the right to adopt or maintain any measure regarding Peruvian handicrafts and jewelry.

Sector	Annex	Obligations concerned	Measure
Maritime transport services (including internal waterways)	Annex I	National treatment (Art. 9.4 and 10.3) Local presence (Art. 10.6)	Residency requirement for national ship companies, directors, operators, bay and port service providers; nationality requirements for crew of flagged vessels and harbor pilots; limits on foreign ownership; cabotage reserved for Peruvian flagged vessels; reservations for Peruvian Navy in transport of hydrocarbons.
Oil and gas	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Residency and registration requirements for hydrocarbon exploration, including local branch establishment; executive agents must be Peruvian nationals; foreign enterprises must establish branch in Peru, must have Peruvian attorney and executive agent.
Recreational, cultural and sporting services	Annex I Annex II	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 9.4 and 10.4) Cross-Border Trade in Services and Investment (Art. 9.9)	Local content requirements; limits on payroll for foreigners; limits on stay of foreign circuses; nationality requirement for bullfighters; government support for jewelry, theater, visual arts, music, and publishing; protection for cultural industries; Peru reserves the right to adopt any measure related to handicrafts, jewelry, art, music and publishing.
Rental and leasing services without operators	Annex II	National treatment (Art. 10.3)	Nationality and residency requirements for national ship-owners; cabotage prohibited.
Research and development services	Annex I Annex II	National treatment (Art. 10.3)	Archaeology programs must have Peruvian director; authorization required.
Road transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6)	Requirement to have adequate infrastructure; cabotage prohibited; Peru reserves the right to maintain or adopt any measure regarding international land transport.
Services auxiliary to all modes of transport	Annex I	Local presence (Art. 10.6)	Residency requirement for customs warehousing.
Telecommunications services	Annex I Annex II	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Call-backs are prohibited; Peru reserves the right to maintain or adopt any measure regarding concessions for public telecoms; authorization required; international traffic must be routed through concession-holders; interconnection among private services is prohibited.
Tourism and travel services	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Residency requirement for tourist water transport.
Urban planning and landscape architectural services	Annex II	Market access (Art. 10.5)	Non-residents must have contract with residents to obtain registration.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.11: Singapore nonconforming measures

Sector	Annex	Obligations concerned	Measure
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore-designated airlines must be effectively controlled by Singaporean citizens or government; Singapore reserves the right to maintain or adopt any measure regarding cross-border supply of repair and maintenance, marketing, computer reservation, airport operation, or ground handling services, and any measure regarding investment or specialty air services.
Arms and explosives	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11)	Singapore reserves the right to maintain or adopt any measure affecting the arms and explosives sector.
Audiovisual services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and board of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to adopt or maintain any measure regarding broadcasting, including transmission quotas, requirements for spectrum management, local content requirements, and subsidies.
Distribution services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Local presence required for issuance of import and export permits, distribution of hazardous substances, medical and health products; Singapore reserves the right to maintain or adopt any measure regarding import and export licensing, and any measure regarding alcohol or tobacco.
Educational services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Authorization required for medical training; Singapore reserves the right to maintain or adopt any measure regarding primary or secondary education for citizens.
Energy (including nuclear)	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5)	Singapore reserves the right to maintain or adopt any measure regarding nuclear energy.

Sector	Annex	Obligations concerned	Measure
		Local presence (Art. 10.6)	
Engineering services (including integrated engineering)	Annex I Annex II	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Singapore must maintain a controlling interest in national engineering company, including control over boards of directors.
Environmental services	Annex I Annex II		Local incorporation required for sewage; Singapore reserves the right to maintain or adopt any measure affecting wastewater.
Financial services	Annex I	National treatment (Art. 9.4 and 10.3)	Limits on borrowing and lending by non-resident financial institutions.
Health-related and social services	Annex I Annex II	National treatment (Art. 10.3) Market access (Art. 10.5) Local presence (Art. 10.6)	Residency required for pharmacy, nursing and therapeutic services; limits on suppliers of medical, pharmacy and nursing services; Singapore reserves the right to maintain or adopt any measure regarding regulation.
Investigation and security services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Registration required; non-Malaysian foreigners cannot be guards; Singapore reserves the right to maintain or adopt any measure for armed guards.
Legal services	Annex I Annex II	National treatment (Art. 10.3)	Registration required for patent agents; Singapore reserves the right to maintain any measure regarding the practice of Singaporean law.
Manufacturing and services incidental to manufacturing	Annex I	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10)	Certain restrictions for the manufacture and services incidental to the manufacture of beer, cigars, drawn steel products, chewing gum, bubble gum, cigarettes; and matches.
Maritime transport services (including internal waterways)	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore maintains a monopoly on cargo handling, pilotage, and the supply of desalinated water; ownership limits for cruise and ferry terminal operators; Singapore reserves the right to maintain or adopt any measure regarding towing, provisioning, garbage collection, port captain services, or emergency repair; foreign ownership of PSA corporation is limited to 49 percent.
Other business services	Annex I	National treatment (Art. 9.4 and 10.3)	Limits on the number of credit bureau services suppliers.
Pipeline transport services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Only licensees can own pipelines and transport gas; local presence required.
Placement and supply services of personnel	Annex I	Local presence (Art. 10.6)	Local presence requirements for employment agencies.
Postal services	Annex I	National treatment (Art. 9.4 and	Local incorporation required for basic letter

Sector	Annex	Obligations concerned	Measure
	Annex II	10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	services; Singapore reserves the right to maintain or adopt any measure regarding public postal licensees.
Printing and publishing	Annex II	National treatment (Art. 9.4 and 10.3) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to maintain or adopt any measure regarding printing and publishing of newspapers including shareholding limits and management control.
Rail transport	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to maintain or adopt any measure regarding passenger or freight transportation.
Real estate services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to maintain any measure.
Recreational, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to maintain or adopt any measure regarding gambling.
Rental and leasing without operators	Annex I	National treatment (Art. 10.3) Market access (Art. 10.5)	No cross-border rental of vehicles by non-residents is allowed.
Road transport	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to maintain or adopt any measure regarding passenger or freight transportation.
Services auxiliary to all modes of transport	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10)	Singapore reserves the right to maintain or adopt any measure regarding warehousing or freight forwarding.

Sector	Annex	Obligations concerned	Measure
		Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	
Services incidental to energy distribution	Annex I	Market access (Art. 10.5)	Power producers must sell through electricity wholesale operators; Singapore reserves some monopoly rights; limits on foreign ownership of Singaporean power companies.
Technical testing and analysis services	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Market access (Art. 10.5) Local presence (Art. 10.6)	Singapore reserves the right to adopt or maintain any measure affecting the supply of prospecting, surveying and map making services.
Telecommunications services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Market access (Art. 10.5)Local presence (Art. 10.6)	Local incorporation requirements for operators, domain name holders; limits on licenses, reciprocity requirements; Singapore reserves the right to adopt or maintain any measure regarding ownership of providers of public mobile and wireless communications.
Tourism and travel related services	Annex I	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5)	Nationality or residency requirements for stalls in government markets; local incorporation required for food and beverage services.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.12: United States nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing and bookkeeping services	Annex I	Local presence (Art. 10.6)	Residency, citizenship or local presence requirements in certain states.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Cabotage for passenger and air freight service is restricted to U.S. citizens; authorization required for air freight forwarding and passenger charters; reciprocity or authorization required for provision of specialty air service; the United States reserves the right to adopt or maintain any measure regarding cross border supply of auxiliary air services including computer reservation, marketing, ground handling services or any measure that accords differential treatment to treaty partners in aviation.
Architectural services, urban planning and landscape	Annex I	Senior management and boards of directors (Art. 9.11)	Restrictions on senior managers or boards of directors in Michigan.

Sector	Annex	Obligations concerned	Measure
architecture services			
Construction and related engineering services	Annex I	Local presence (Art. 10.6)	Local presence requirements in Michigan.
Educational services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.4 and 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.9) Senior management and boards of directors (Art. 9.10)	Limits on the number of licenses available for cosmetology schools in Kentucky; the United States reserves the right to adopt or maintain any measure regarding public education and child care.
Energy (including nuclear)	Annex I	National treatment (Art. 9.4)	License required for any activities related to nuclear power.
Engineering services (including integrated engineering)	Annex I	Local presence (Art. 10.6)	Residency requirements in certain states.
Fishing, and services incidental to fishing	Annex II	Most-favored-nation treatment (Articles 9.4 and 10.3)	The United States reserves the right to adopt or maintain any measure that accords differential treatment to treaty partners in fisheries.
Health-related and social services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.4 and 10.5) Local presence (Art. 10.6) Performance requirements (Art. 9.9) Senior management and boards of directors (Art. 9.10)	Restrictions on firms' legal form in Michigan and New York; the United States reserves the right to adopt or maintain any measure regarding law enforcement and correctional services, social security, public education and child care.
Investigation and security services	Annex I	Local presence (Art. 10.6)	Residency requirements in certain states.
Legal services	Annex I	National treatment (Art. 10.3) Most-favored-nation treatment (Art. 10.4) Local presence (Art. 10.6)	Patent attorneys and agents must be U.S. citizens; local presence requirements in certain states.
Maritime transport services (including internal waterways)	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6) Performance requirements (Art. 9.9) Senior management and boards of directors (Art. 9.10)	The United States reserves the right to adopt or maintain any measure regarding maritime transport including investment, ownership and operation of vessels, certification and licensing of crews, and cabotage (excluding vessel construction and port services conditional on comparable market access), and any measure that accords differential treatment to treaty partners in maritime matters including salvage.
Mining and services incidental to mining	Annex I	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5)	Foreigners are restricted from obtaining access to leases or right-of-way on certain federal land.
Other business services	Annex I	National treatment (Art. 10.3) Local presence (Art. 10.6)	Certain exports and re-exports of commodities, software, and technology require a license; customs brokers must be U.S. citizens.
Placement and	Annex I	Local presence (Art. 10.6)	Citizenship requirements in Arkansas.

Sector	Annex	Obligations concerned	Measure
supply services of personnel			
Rail transport	Annex I	National treatment (Art. 10.3)	Incorporation requirements in Vermont.
Real estate services	Annex I	Local presence (Art. 10.6)	Residency or citizenship requirements in certain states.
Recreational, cultural and sporting services	Annex II	National treatment (Art. 9.4 and 10.3) Market access (Art. 10.5) Local presence (Art. 10.6) Performance requirements (Art. II.9) Senior management and boards of directors (Art. 9.10)	The United States reserves the right to adopt or maintain any measure relating to betting and gambling services.
Road transport	Annex I	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6)	Cabotage for truck and bus service is restricted to U.S. citizens; authorization required for cross-border land transport, Mexican providers are subject to certain requirements including reciprocity.
Space transport	Annex II	Most-favored-nation treatment (Articles 9.4 and 10.3)	The United States reserves the right to adopt or maintain any measure that accords differential treatment to treaty partners in satellite or other commercial space launches.
Telecommunications	Annex I Annex II	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.10)	Radio or other broadcast licenses cannot be held by foreign governments; the United States reserves the right to adopt or maintain any measure regarding sharing of radio spectrum, satellite broadcasting and cable television.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Table E.13: Vietnam nonconforming measures

Sector	Annex	Obligations concerned	Measure
Accounting, auditing, and bookkeeping services	Annex I Annex II	Local presence (Art. 10.6)	Local presence requirements for auditors; Vietnam reserves the right to maintain or adopt any measure not consistent with local presence obligations in accounting, bookkeeping and taxation services.
Agriculture	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Limits on firms' legal form and ownership restrictions; Vietnam reserves the right to adopt or maintain any measure regarding investment in cultivating rare plants and breeding rare wild animals.
Air transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on investment in Vietnamese airlines; quotas for board members; Vietnam reserves the right to adopt or maintain any measure for specialty air services, ground handling, or airport operations.

Sector	Annex	Obligations concerned	Measure
Audiovisual services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on firms' legal form; foreign ownership limits; foreigners are excluded from certain activities; local content requirements; restrictions on sound recording; protection for cultural industries; Vietnam reserves the right to adopt or maintain any measure for broadcasting or news agencies, video distribution, subsidies and co-production preferences.
Construction and engineering services	Annex I	National treatment (Art. 9.4)	Limits on certain types of real estate activity.
Distribution services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Economic needs tests; foreign investment prohibited for importers of tobacco, oil, media, aircraft; Vietnam reserves the right to adopt or maintain any measure for tobacco, media, precious metals, pharmaceuticals, oil, as well as any measure for traditional markets.
Educational services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Some education services excluded from foreign investment; Vietnam reserves the right to adopt or maintain any measure for investment in primary or secondary education.
Energy (including nuclear)	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Vietnam reserves the right to adopt or maintain any measure for hydroelectricity or nuclear.
Financial services	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Vietnam reserves the right to adopt or maintain any measure regarding the management or establishment of commodity exchanges.
Fishing, and services incidental to fishing	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Senior management and boards of directors (Art. 9.11)	Vietnam reserves the right to adopt or maintain any measure in relation to fishery activities.
Forestry and services incidental to forestry	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Senior management and boards of directors (Art. 9.11)	Limits on firms' legal form and ownership restrictions; Vietnam reserves the right to adopt or maintain any measure regarding investment in forestry and hunting activities.

Sector	Annex	Obligations concerned	Measure
Health-related and social services	Annex II	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Vietnam reserves the right to adopt or maintain any measure regarding non-hospital facilities or other human health services.
Investigation and security services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure.
Legal services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on firms' legal form; Vietnam reserves the right to maintain or adopt any measure for legal services involving arbitration and conciliation, legal documentation, judicial administration, civic enforcement, judicial expertise, bailiffs, property auction, notary, and bankruptcy.
Manufacturing and services incidental to manufacturing	Annex I Annex II	National treatment (Art. 9.4) Performance requirements (Art. 9.10)	Limits on foreign investment and majority ownership in the manufacture of transportation equipment; joint venture requirements; limits on foreign investment and majority ownership in manufacturing of tobacco products; Vietnam reserves the right to adopt or maintain measures regarding paper production and the manufacturing and assembling of large buses.
Maritime transport services (including internal waterways)	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on foreign ownership and firms' legal form in passenger and freight transport and container handling; citizenship requirements for crew; Vietnam reserves the right to adopt or maintain any measure for port construction, operation, management, cabotage, rental, or towing.
Mining	Annex I	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Screening requirement for foreign investment in mining.
Oil and gas	Annex I	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5)	Contracts with PetroVietnam required for oil and gas activities; priority for sub-contracts given to Vietnamese; Vietnam remains the sole owner of

Sector	Annex	Obligations concerned	Measure
		Performance requirements (Art. 9.10)	hydrocarbon resources.
Other business services	Annex I	National treatment (Art. 9.4)	Vietnam reserves the right to adopt or maintain any measure for geodesic or cartographic activities; limits on legal form for foreign asset appraisal.
Pipeline transport services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure regarding pipeline transport.
Placement and supply services of personnel	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure.
Printing and publishing	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure.
Rail transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on foreign ownership and firms' legal form; certain activities excluded; Vietnam reserves the right to adopt or maintain any measure related to cabotage or infrastructure.
Real estate services	Annex I	National treatment (Art. 9.4)	Limits on activity involving construction, lease, purchase, lease-purchase and transfer of real estate properties.
Recreational, cultural and sporting services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Limits on foreign ownership and firms' legal form; restrictions on electronic games; approval needed for theme parks; preferences given for local artists; Vietnam reserves the right to adopt or maintain any measure regarding gambling, martial arts, performing and fine arts, and cultural industries.

Sector	Annex	Obligations concerned	Measure
		Local presence (Art. 10.6)	
Road transport	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on firms' legal form and restrictions on foreign investment; all drivers in joint ventures must be Vietnamese; Vietnam reserves the right to adopt or maintain any measure regarding cabotage.
Services auxiliary to all modes of transport	Annex I	National treatment (Art. 9.4) Senior management and boards of directors (Art. 9.11)	Restrictions on majority foreign ownership in passenger and freight transportation; limits on firms' legal form and joint venture requirements for investment.
Services incidental to energy distribution	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Foreign services suppliers prohibited in this sector; Vietnam reserves the right to adopt or maintain any measure for hydroelectricity or nuclear.
Space transport	Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure.
Taxation services	Annex II	Local presence (Art. 10.6)	Vietnam reserves the right to maintain or adopt any measure not consistent with local presence obligations.
Technical testing and analysis services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Vietnam reserves the right to adopt or maintain any measure.
Telecommunications	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Local presence requirements; limits on foreign ownership and firms' legal form; Vietnam reserves the right to adopt or maintain any measure regarding non-basic or value-added services, any measure regarding telecoms networks in rural and ethnic minority areas, and any measure regarding broadcast services.

Sector	Annex	Obligations concerned	Measure
		Local presence (Art. 10.6)	
Tourism and travel services	Annex I Annex II	National treatment (Art. 9.4 and 10.3) Most-favored-nation treatment (Art. 9.5 and 10.4) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11) Local presence (Art. 10.6)	Limits on firms' legal form; certain activities excluded; Vietnam reserves the right to adopt or maintain any measure regarding tourist guides.
Veterinary services	Annex I	National treatment (Art. 9.4)	Nationality requirements for veterinary service providers.

Source: TPP Annex I – Cross-Border Trade in Services and Investment Non-conforming Measures, TPP Annex II - Cross-Border Trade in Services and Investment Non-conforming Measures.

Appendix F
Country Profiles

Australia

Economy Overview

In 2014, Australia had the world's 12th-largest economy with a nominal GDP of $1,454.7 billion.[1235] It was also one of the world's wealthiest countries, with GDP per capita estimated at $61,925.5. Its real GDP grew by 2.5 percent in 2014 (table F.1).[1236]

Table F.1: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	1,142.3	1,537.5	1,454.7
GDP growth (real, annual %)	2.0	3.6	2.5
GDP per capita (current $)	51,845.7	67,646.1	61,925.5
Population (million)	22.0	22.7	23.5
Internet users (per 100 people)	76.0	79.0	84.6

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 2.4 percent, 6.9 percent, 70.5 percent, and 20.2 percent of Australia's GDP, respectively.[1237] Food and beverages, machinery and equipment, and fabricated metal products were the top three manufacturing sectors in Australia in terms of value added.[1238] The mining sector was important to the Australian economy, as coal, oil, natural gas, and minerals accounted for more than half of Australian exports in 2014.[1239]

Australia has 10 bilateral and regional trade agreements signed or in force, covering 16 partner countries; eight of them are TPP countries (Brunei, Chile, Japan, Malaysia, New Zealand, Singapore, the United States, and Vietnam).[1240] The U.S.-Australia bilateral FTA was signed in 2004 and entered into force in 2005.[1241]

[1235] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1236] World Bank, World Development Indicators database (accessed December 28, 2015).
[1237] Ibid.
[1238] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1239] UN, Comtrade database (accessed January 22, 2016).
[1240] Government of Australia, Department of Foreign Affairs and Trade, "FTAs in Force," and "FTAs Signed," http://www.austrade.gov.au/Export/Free-Trade-Agreements (accessed July 13, 2015).
[1241] USTR, "Free Trade Agreement Australia," https://ustr.gov/trade-agreements/free-trade-agreements/australian-fta.

Merchandise Trade

Trade with the world: In 2014, Australia's two-way merchandise trade with the world totaled $468.0 billion. China was Australia's largest trading partner, followed by the EU, Japan, the United States, and South Korea. TPP countries (including the United States) accounted for 29.2 percent of Australia's merchandise trade with the world.[1242]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Australia totaled $37.3 billion, accounting for 0.9 percent of total U.S. merchandise trade. In 2014, the United States had a merchandise trade surplus of $15.9 billion with Australia.[1243]

See table F.2 for leading Australian exports to the world and the United States, and table F.3 for leading Australian imports from the world and the United States.

Table F.2: Leading Australia exports to the world and the United States, by HS 4-digit subheading, 2014

Australia exports	**Value**	**Share**
	Billion $	%
To the world:	240.4	100.0
Iron ores and concentrates (HS2601)	60.2	25.0
Coal and coal products (HS2701)	34.4	14.3
Petroleum gases and other gaseous hydrocarbons (HS2711)	17.2	7.1
Gold (HS7108)	12.0	5.0
Crude petroleum oils (HS2709)	9.6	4.0
To the United States:	10.7	100.0
Meat of bovine animals, frozen (HS0202)	1.5	14.2
Meat of sheep or goats, fresh, chilled or frozen (HS0204)	0.6	5.4
Meat of bovine animals, fresh or chilled (HS0201)	0.5	4.7
Parts of balloons, dirigibles, gliders, airplanes, other aircraft, spacecraft and spacecraft launch vehicles (HS8803)	0.5	4.7
Wine (HS2204)	0.4	4.2

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Australia's exports to the world are based on Australia's reported export data; for Australia's exports to the United States, on U.S. reported import data.

Table F.3: Leading Australia imports from the world and the United States, by HS 4-digit subheading, 2014

Australia imports	**Value**	**Share**
	Billion $	%
From the world:	227.5	100.0
Crude petroleum oils (HS2709)	18.3	8.0
Non-crude petroleum products (HS2710)	16.9	7.4
Motor vehicles for the transport of persons (HS8703)	15.8	7.0
Wireless telephone sets and other apparatus (HS8517)	7.1	3.1
Medicaments (HS3004)	6.7	2.9
From the United States:	26.6	100.0
Motor vehicles for the transport of persons (HS8703)	2.0	7.5

[1242] UN, Comtrade database (accessed December 31, 2015).
[1243] USITC DataWeb/USDOC (accessed January 8, 2016).

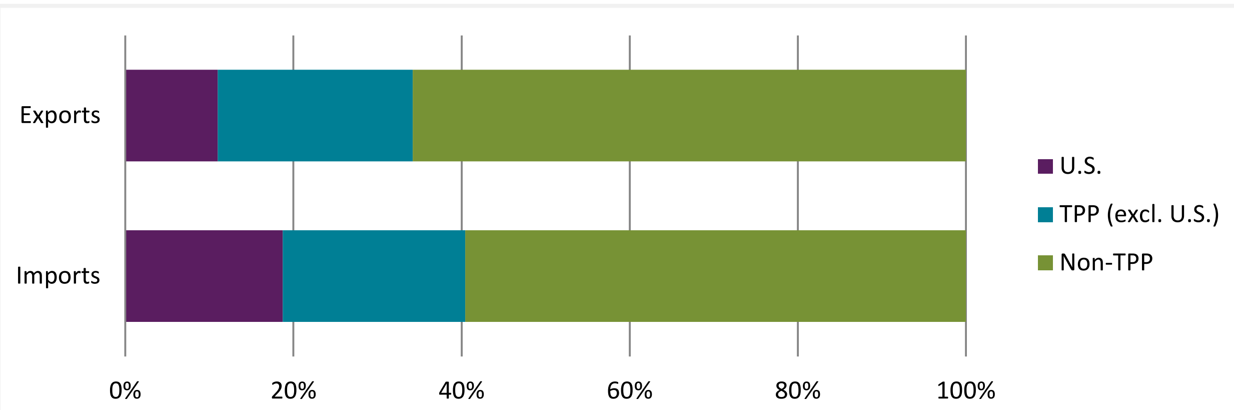
Australia imports	Value	Share
Civilian aircraft, engines, equipment, and parts (HS8800)	1.8	6.7
Medical, surgical, dental or veterinary instruments and appliances (HS9018)	0.8	3.2
Wireless telephone sets and other apparatus (HS8517)	0.7	2.5
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	0.6	2.4

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Australia's imports from the world are based on Australia's reported import data; for Australia's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, Australia's two-way services trade with the world totaled $117.7 billion. The United States was Australia's largest services trading partner, followed by the United Kingdom, China, Singapore, and New Zealand. TPP countries (including the United States) accounted for 37.6 percent of Australia's services trade (figure F.1).[1244]

Figure F.1: Australia's services trade, 2014



Source: OECD Stat database (accessed on January 22, 2016). Corresponds to appendix table J.25.

Trade with the United States: In 2014, two-way services trade between the United States and Australia totaled $26.1 billion, accounting for 2.2 percent of total U.S. services trade. In 2014, the United States had a services trade surplus of $12.6 billion with Australia.

The leading services Australia imported from the United States were travel (27.7 percent), other business services (15.1 percent), and charges for intellectual property (IP) use[1245] (14.9 percent). The leading services Australia exported to the United States were other business services (31.0 percent), travel (26.8 percent), and transport (14.2 percent). Technical and trade-

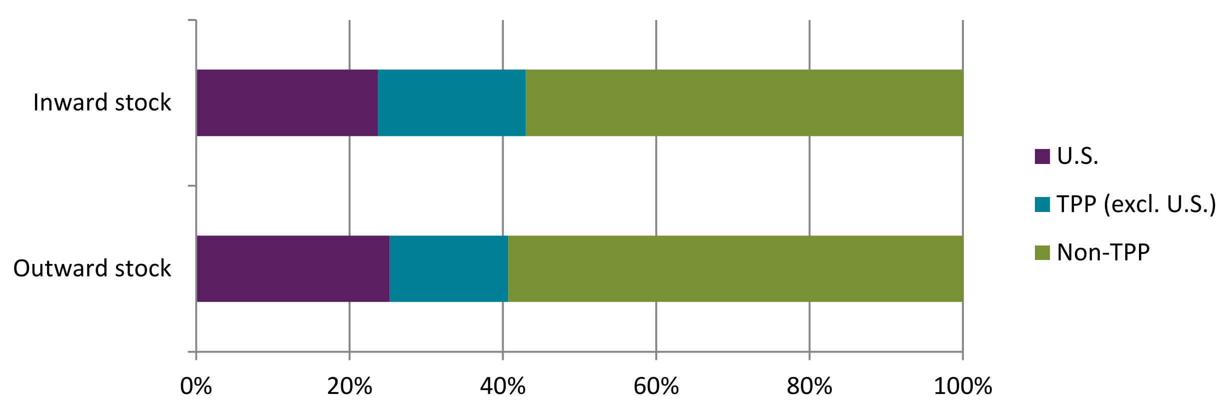
[1244] OECD, Stat database, "EBOPS 2010: Trade in Services by Partner Country" (accessed January 22, 2016).
[1245] Charges for intellectual property (IP) use include royalties and license fees.

related business services, and professional and management consulting services, were the top two types of business services Australia traded with the United States.[1246]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Australia's total inward FDI stock[1247] was $564.6 billion and total outward FDI stock[1248] was $443.5 billion.[1249] TPP countries (including the United States) accounted for 43.0 percent of Australia's inward FDI stock and for 40.7 percent of Australia's outward FDI stock (figure F.2).[1250]

Figure F.2: Australia's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.26.
Note: Because FDI data are not available for some TPP countries, the share of Australia's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Mexico, and Peru; and the share of Australia's outward FDI stock shown for TPP (excluding the United States) does not includes Brunei, Canada, Mexico, and Peru.

FDI with the United States: In 2014, Australia's FDI stock in the United States was valued at $47.3 billion, equal to 1.6 percent of U.S. total inward FDI stock. Manufacturing (19.7 percent),

[1246] USDOC, BEA, International Transactions Account database, "Table 2.2 U.S. Trade in Services, by Type of Services and by Country or Affiliation," October 15, 2015.
[1247] Inward FDI stock is the value of foreign investors' equity in and net loans to enterprises resident in the reporting economy. Source: OECD, "Definition of FDI Stocks," https://data.oecd.org/fdi/fdi-stocks.htm.
[1248] Outward FDI stock is the value of the resident investors' equity in and net loans to enterprises in foreign economies. Source: OECD, "Definition of FDI Stocks," https://data.oecd.org/fdi/fdi-stocks.htm.
[1249] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1250] Because the FDI data are not available for some TPP countries, the share of Australia's inward FDI stock shown for TPP countries does not include Brunei, Mexico, and Peru, and the share of Australia's outward FDI stock for TPP countries does not include Brunei, Canada, Mexico, and Peru. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

finance and insurance (10.3 percent), and wholesale trade (7.5 percent) were the leading sectors receiving Australian investment.[1251]

In 2014, U.S. FDI stock in Australia was valued at $180.3 billion, equal to 3.7 percent of U.S. total outward FDI stock. Non-bank holding companies (38.8 percent), finance and insurance (19.8 percent), and mining (15.4 percent) were the leading sectors receiving U.S. investment.[1252]

[1251] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1252] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Brunei Darussalam

Economy Overview

With a nominal GDP of $17.1 billion in 2014, the economy of Brunei Darussalam (Brunei) was ranked 112th globally in terms of size.[1253] Brunei's economy is principally driven by crude oil and natural gas production.[1254] Mineral fuels accounted for more than 90 percent of its merchandise exports.[1255] Recent declines in oil production contributed to a 2.3 percent contraction of GDP in 2014 (table F.4).[1256] As a result of its rich natural resources and relatively small population, Brunei had one of the highest levels of GDP per capita ($40,980) in Southeast Asia in 2014.[1257]

Table F.4: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion US$)	12.4	17.0	17.1
GDP growth (real, annual %)	2.6	0.9	-2.3
GDP per capita (current US$)	31,453.2	41,807.7	40,979.6
Population (thousands)	393.3	405.5	417.4
Internet users (per 100 people)	53.0	60.3	68.8

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2013, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed to 0.7 percent, 12.3 percent, 31.0 percent, and 55.9 percent of Brunei's GDP, respectively.[1258]

As of January 2016, Brunei had eight bilateral and regional trade agreements in force; six of them were signed collectively under the Association of Southeast Asian Nations (ASEAN), of which Brunei is a member. Brunei is also one of the original four signee countries of the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP/P4), the trade agreement that TPP was built upon. These eight agreements cover 16 partner countries, 7 of which are TPP countries (Australia, Chile, Japan, Malaysia, New Zealand, Singapore, and Vietnam).[1259]

[1253] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1254] CIA, *World Factbook* (accessed January 14, 2016).
[1255] UN, Comtrade database (accessed December 31, 2015).
[1256] USEIA, "Brunei" (accessed March 20, 2015); World Bank, World Development Indicators database (accessed January 4, 2016).
[1257] World Bank, World Development Indicators (accessed January 4, 2016).
[1258] World Bank, World Development Indicators database (accessed January 14, 2016).
[1259] Government of Brunei, Ministry of Foreign Affairs and Trade, "Brunei Darussalam's Free Trade Agreements," http://www.mofat.gov.bn/Pages/Free-Trade-Agreements.aspx (accessed January 14, 2016).

Merchandise Trade

Trade with the world: In 2014, Brunei's two-way merchandise trade with the world totaled $14.1 billion. Japan was Brunei's largest trading partner, followed by South Korea, Malaysia, Singapore, and India. TPP countries (including the United States) accounted for 58.1 percent of Brunei's merchandise trade.[1260]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Brunei totaled $581.0 million, accounting for 0.01 percent of total U.S. merchandise trade. The United States had a merchandise trade surplus of $517.4 million with Brunei.[1261]

See table F.5 for leading Brunei exports to the world and the United States, and table F.6 for leading Brunei imports from the world and the United States.

Table F.5: Leading Brunei exports to the world and the United States, by HS 4-digit subheading, 2014

Brunei exports	Value	Share
	Million $	%
To the world:	10,508.8	100.0
Petroleum gases and other gaseous hydrocarbons (HS2711)	5,345.8	50.9
Crude petroleum oils (HS2709)	4,378.6	41.7
Provitamins or vitamins, natural or synthetic (HS2936)	243.1	2.3
Acyclic alcohols and their derivatives (HS2905)	201.4	1.9
Parts for aircrafts under heading 88.01 or 88.02 (HS8803)	23.1	0.2
To the United States:	31.8	100.0
Acyclic alcohols and their derivatives (HS2905)	16.1	50.7
Exports of articles imported for repair (HS9801)	9.0	28.2
Apparel such as sweaters, etc., knitted or crocheted (HS6110)	2.4	7.5
Crustaceans, live, fresh, chilled, or frozen (HS0306)	1.7	5.3
Apparel such as women's or girl's briefs, panties, pajamas etc., knitted or crocheted (HS6108)	0.6	1.8

Source: UN, Comtrade database (accessed on December 31, 2015); USITC DataWeb/USDOC (accessed on January 8, 2016).
Note: Figures for Brunei's exports to the world are based on Brunei's reported export data; for Brunei's exports to the United States, on U.S. reported import data.

Table F.6: Leading Brunei imports from the world and the United States, by HS 4-digit subheading, 2014

Brunei imports	Value	Share
	Million $	%
From the world:	3,598.7	100.0
Non-crude petroleum products (HS2710)	362.2	10.1
Motor vehicles for the transport of people (HS8703)	301.7	8.4
Water vessels for transport or shipping (HS8901)	209.7	5.8
Telephone sets, including cellular (HS8517)	79.9	2.2
Binders made for foundry molds or cores (HS3824)	75.4	2.1
From the United States:	549.2	100.0
Civilian aircraft, engines, equipment, and parts (HS8800)	286.9	52.2
Aircraft, spacecraft, and spacecraft launch vehicles (HS8802)	133.0	24.2

1260 UN, Comtrade database (accessed December 31, 2015).
1261 USITC DataWeb/USDOC (accessed January 8, 2016).

Brunei imports	Value	Share
Telephone sets, including cellular (HS8517)	17.5	3.2
Turbojets, turbo propellers, other gas turbines, and parts (HS8411)	6.9	1.3
Special purpose motor vehicles (HS8705)	6.3	1.1

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Brunei's imports from the world are based on Brunei's reported import data; for Brunei's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, Brunei's two-way services trade with the world totaled $2.8 billion. Transportation (38.3 percent), travel (32.8 percent), and other business services (17.1 percent) were the leading services Brunei traded with the world.[1262]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Brunei's total inward FDI stock was $6.2 billion, and outward FDI stock totaled $133.8 million.[1263] Singapore and the United States were the top sources of Brunei's inward FDI in 2012, while Singapore and Bangladesh were the top destinations for Brunei's outward FDI. [1264]

[1262] No country-specific data are available for Brunei's trade in services, and U.S. statistical agencies do not publish cross-border services trade data specific to Brunei. Source: ASEAN, WGSITS, ASEANstats database (accessed October 31, 2015).
[1263] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1264] The latest bilateral FDI data available for Brunei are for the year 2012. However, the data are not detailed enough to cover most TPP countries. Source: UNCTAD Bilateral FDI Statistics (accessed February 1, 2016).

Canada

Economy Overview

In 2014, Canada had the world's 11th-largest economy with a nominal GDP of $1,785.4 billion.[1265] It is considered to be a high-income country, with GDP per capita at $50,235. Canada's real GDP grew by 2.4 percent in 2014 (table F.7).[1266]

Table F.7: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	1,614.0	1,832.7	1,785.4
GDP growth (real, annual %)	3.4	1.9	2.4
GDP per capita (current $)	47,463.6	52,733.5	50,235.4
Population (million)	34.0	34.8	35.5
Internet users (per 100 people)	80.3	83.0	87.1

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 1.5 percent, 10.6 percent, 69.5 percent, and 18.3 percent of Canada's GDP, respectively.[1267] Food and beverages, fabricated metal products, and machinery and equipment are Canada's top manufacturing sectors in terms of value added (2014).[1268] Canada is rich in natural resources, making it one of the world's leading exporters of mineral and energy products.

As of January 2016, other than TPP, Canada had 12 bilateral and regional trade agreements in force, covering 15 partner countries; four of them are TPP countries (Chile, Mexico, Peru and the United States). The North American Free Trade Agreement (NAFTA) with the United States and Mexico entered into force on January 1, 1994.[1269]

[1265] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1266] World Bank, World Development Indicators database (accessed December 28, 2015).
[1267] Government of Canada, Statistics Canada, "Gross Domestic Product at Basic Prices, by Industry" (accessed February 1, 2016).
[1268] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1269] Government of Canada, Ministry of Foreign Affairs, "Canada's Free Trade Agreements," http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng (accessed January 21, 2016).

Merchandise Trade

Trade with the world: In 2014, Canada's two-way merchandise trade with the world totaled $936.6 billion. The United States was Canada's largest trading partner, followed by the EU, China, Mexico, and Japan.[1270] TPP countries (including the United States) accounted for 73.2 percent of Canada's merchandise trade with the world.[1271]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Canada totaled $660.2 billion, accounting for 16.6 percent of total U.S. merchandise trade, making Canada the United States' largest single country trading partner. In 2014, the United States had a merchandise trade deficit of $35.4 billion with Canada.[1272]

See table F.8 for leading Canada exports to the world and the United States, and table F.9 for leading Canada imports from the world and the United States.

Table F.8: Leading Canada exports to the world and the United States, by HS 4-digit subheading, 2014

Canada exports	Value	Share
	Billion $	%
To the world:	473.6	100.0
Crude petroleum oils (HS2709)	88.1	18.6
Motor vehicles for the transport of persons (HS8703)	44.9	9.5
Petroleum gases and other gaseous hydrocarbons (HS2711)	17.0	3.6
Non-crude petroleum products (HS2710)	15.2	3.2
Gold (HS7108)	15.0	3.2
To the United States:	347.8	100.0
Crude petroleum oils (HS2709)	83.2	23.9
Motor vehicles for the transport of persons (HS8703)	43.2	12.4
Petroleum gases and other gaseous hydrocarbons (HS2711)	15.1	4.3
Non-crude petroleum products (HS2710)	14.2	4.1
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	9.6	2.8

Source: UN, Comtrade database (accessed December 31, 2015); USITC Dataweb/USDOC (accessed January 8, 2016).
Note: Figures for Canada's exports to the world are based on Canada's reported export data; for Canada's exports to the United States, on U.S. reported import data.

[1270] UN, Comtrade database (accessed December 31, 2015).
[1271] Ibid.
[1272] USITC DataWeb/USDOC (accessed January 8, 2016).

Table F.9: Leading Canada imports from the world and the United States, by HS 4-digit subheading, 2014

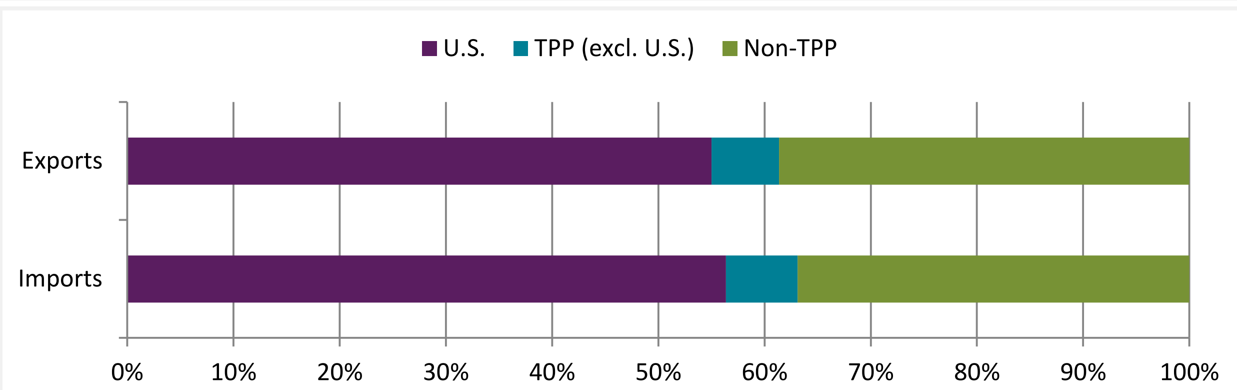
Canada imports	Value	Share
	Billion $	%
From the world:	463.0	100.0
Motor vehicles for the transport of persons (HS8703)	27.0	5.8
Crude petroleum oils (HS2709)	21.7	4.7
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	20.5	4.4
Non-crude petroleum products (HS2710)	18.1	3.9
Motor vehicles for the transport of goods (HS8704)	12.8	2.8
From the United States:	312.4	100.0
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	17.5	5.6
Motor vehicles for the transport of persons (HS8703)	15.3	4.9
Non-crude petroleum products (HS2710)	13.6	4.4
Crude petroleum oils (HS2709)	11.7	3.7
Motor vehicles for the transport of goods (HS8704)	10.4	3.3

Source: UN, Comtrade database (accessed December 31, 2015); USITC Dataweb/USDOC (accessed January 8, 2016).
Note: Figures for Canada's imports from the world are based on Canada's reported import data; for Canada's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, Canada's two-way services trade with the world totaled $194.3 billion. The United States was Canada's largest services trading partner, followed by the United Kingdom, Hong Kong (China), France, and China. TPP countries (including the United States) accounted for more than 62.3 percent of Canada's services trade (figure F.3).[1273]

Figure F.3: Canada's services trade, 2014



Source: OECD Stat database (accessed January 21, 2016). Note: Because Canada's services trade data are not available for all TPP countries, the shares shown for TPP (excluding the United States) do not include Brunei and Peru. Corresponds to appendix table J.27.

[1273] Because Canada's services trade data are not available for some TPP countries, the share for TPP countries does not include Brunei and Peru. Source: OECD, Stat database, "EBOPS 2002: Trade in Services by Partner Country" (accessed January 21, 2016).

Trade with the United States: In 2014, two-way services trade between the United States and Canada totaled $91.4 billion, accounting for 7.7 percent of total U.S. services trade. In 2014, the United States had a services trade surplus of $31.3 billion with Canada.

The leading services Canada imported from the United States were travel (33.7 percent), other business services (15.3 percent), and charges for IP use (14.2 percent). The leading services Canada exported to the United States were travel (24.1 percent), other business services (22.7 percent), transport (19.7 percent) and telecommunications, computer, and information services (16.9 percent). [1274]

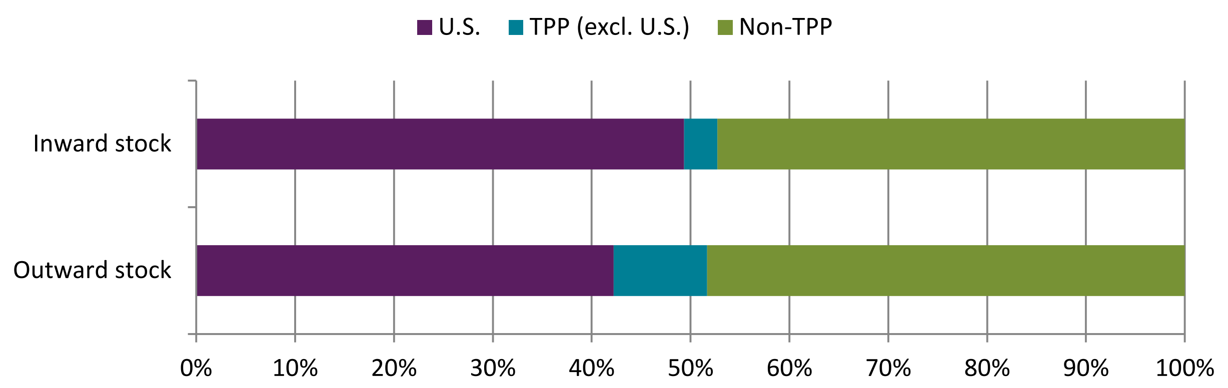
IPR for computer software (4.4 percent), audio-visual and related products (3.1 percent), and industrial process (2.9 percent) were the top types of IP use Canada imported from the United States. Professional and management consulting services (9.5 percent), technical and trade-related business services (7.2 percent), and research and development services (6.1 percent) were the top business services Canada exported to the United States.[1275]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Canada's total inward FDI stock was $631.3 billion, and outward FDI stock was $714.6 billion.[1276] TPP countries (including the United States) accounted for 52.7 percent of Canada's inward FDI stock and for 51.7 percent of Canada outward FDI stock (figure F.4).[1277]

[1274] USDOC, BEA, International Transactions Account database, "Table 2.2: U.S. Trade in Services, by Type of Services and by country or affiliation," October 15, 2015.
[1275] Ibid.
[1276] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990-2014" (access December 18, 2015).
[1277] Because Canada's FDI data are not available for some TPP countries, the share of Canada's inward FDI stock shown for TPP countries does not include Brunei, Chile, Malaysia, New Zealand, Peru, and Vietnam, and the share of Canada's outward FDI stock shown for TPP countries does not include Brunei and Vietnam. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

Figure F.4: Canada's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.28.
Note: Because Canada's FDI data are not available for some TPP countries, the share of Canada's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Chile, Malaysia, New Zealand, Peru, and Vietnam, and the share of Canada's outward FDI stock shown for TPP (excluding the United States) does not include Brunei and Vietnam.

FDI with the United States: In 2014, Canada's FDI stock in the United States was valued at $261.2 billion, equal to 9.0 percent of U.S. total inward FDI stock. Manufacturing (21.9 percent), finance and insurance (20.4 percent), and depository institutions (16.4 percent) were the leading destinations for Canadian investment. About 33.2 percent of Canadian FDI in U.S. manufacturing went to chemicals and 21.3 percent went to transportation equipment.[1278]

In 2014, U.S. FDI stock in Canada was valued at $386.1 billion, equal to 7.8 percent of U.S. total outward FDI stock. Leading destination sectors were non-bank holding companies (29.2 percent), manufacturing (28.3 percent), finance and insurance (12.9 percent), and mining (7.0 percent).[1279]

[1278] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1279] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Chile

Economy Overview

In 2014, Chile's nominal GDP was $258.1 billion, making it the world's 42nd-largest economy.[1280] The World Bank considers Chile an upper-middle-income country, with a GDP per capita of $14,528.3 (2014). Its real GDP grew by 1.9 percent in 2014 (table F.10).[1281]

Table F.10: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	217.5	265.2	258.1
GDP growth (real, annual %)	5.8	5.5	1.9
GDP per capita (current $)	12,785.1	15,253.3	14,528.3
Population (million)	17.0	17.4	17.8
Internet users (per 100 people)	45.0	61.4	72.4

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed to 3.3 percent, 12.4 percent, 61.5 percent, and 22.8 percent of Chile's GDP, respectively.[1282] Chile is among the world's largest producers of copper. Copper ores and refined copper products accounted for nearly one-half of Chilean merchandise exports in 2014.[1283]

As of July 2015, Chile had 26 bilateral and regional trade agreements signed or in force. It had free trade agreements with all 11 other TPP countries (Australia, Brunei, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam).[1284] The U.S.-Chile FTA entered into force on January 1, 2004.[1285]

Merchandise Trade

Trade with the world: In 2014, Chile's two-way merchandise trade with the world totaled $149.0 billion. China was Chile's largest trading partner, followed by the United States, the EU,

[1280] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1281] World Bank, World Development Indicators database (accessed December 28, 2015).
[1282] World Bank, World Development Indicators database (accessed December 28, 2015).
[1283] UN, Comtrade database (accessed December 31, 2015).
[1284] Organization of American States, Foreign Trade Information System, "Information on Chile: Trade Agreements," http://www.sice.oas.org/ctyindex/CHL/CHLagreements_e.asp (accessed February 10, 2016).
[1285] USTR, "Chile Free Trade Agreement," https://ustr.gov/trade-agreements/free-trade-agreements/chile-fta.

Japan, and Brazil. TPP countries (including the United States) accounted for 30.9 percent of Chile's merchandise trade with the world.[1286]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Chile totaled $26.0 billion, accounting for 0.7 percent of total U.S. merchandise trade. In 2014, the United States had a merchandise trade surplus of $7.0 billion with Chile.[1287]

See table F.11 for leading Chile exports to the world and the United States, and table F.12 for leading Chile imports from the world and the United States.

Table F.11: Leading Chile exports to the world and the United States, by HS 4-digit subheading, 2014

Chile exports	**Value**	**Share**
	Billion $	%
To the world:	76.6	100.0
Refined copper and copper alloys, unwrought (HS7403)	18.1	23.6
Copper ores and concentrates (HS2603)	16.8	21.9
Unrefined copper; copper anodes for electrolytic refining (HS7402)	3.0	3.9
Chemical wood pulp, soda or sulphate, other than dissolving grades (HS4703)	2.9	3.8
Fish fillets and other fish meat (HS0304)	2.3	3.0
To the United States:	9.5	100.0
Refined copper and copper alloys, unwrought (HS7403)	2.2	23.0
Fish fillets and other fish meat (HS0304)	1.5	15.4
Grapes, fresh or dried (HS0806)	0.7	7.8
New pneumatic tires, of rubber (HS4011)	0.4	4.2
Fresh fruit, nesoi (HS0810)	0.3	3.3

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Chile's exports to the world are based on Chile's reported export data; for Chile's exports to the United States, on U.S. reported import data. "nesoi" = "not elsewhere specified or included."

Table F.12: Leading Chile imports from the world and the United States, by HS 4-digit subheading, 2014

Chile imports	**Value**	**Share**
	Billion $	%
From the world:	72.3	100.0
Non-crude petroleum products (HS2710)	6.3	8.7
Crude petroleum oils (HS2709)	6.0	8.3
Motor vehicles for the transport of persons (HS8703)	3.7	5.2
Wireless telephone sets and other apparatus (HS8517)	2.0	2.8
Petroleum gases and other gaseous hydrocarbons (HS2711)	2.0	2.7
From the United States:	16.5	100.0
Non-crude petroleum products (HS2710)	5.0	30.0
Civilian aircraft, engines, equipment, and parts (HS8800)	1.6	9.6
Petroleum gases and other gaseous hydrocarbons (HS2711)	0.4	2.7
Motor vehicles for the transport of persons (HS8703)	0.4	2.4
Motor vehicles for the transport of goods (HS8704)	0.4	2.3

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January8, 2016).
Note: Figures for Chile's imports from the world are based on Chile's reported import data; for Chile's imports from the United States, on U.S. reported export data.

[1286] UN, Comtrade database (accessed December 31, 2015).
[1287] USITC DataWeb/USDOC (accessed January 8, 2016).

Cross-border Services Trade

Trade with the world: In 2014, Chile's two-way services trade with the world totaled $28.3 billion. The United States, Argentina, Brazil, Germany, and China were its top services trading partners (2013).[1288]

Trade with the United States: In 2014, two-way services trade between the United States and Chile totaled $5.0 billion, accounting for 0.4 percent of total U.S. services trade. In 2014, the United States had a services trade surplus of $2.6 billion with Chile.[1289]

The leading services Chile imported from the United States were travel (26.3 percent), transport (21.7 percent), and charges for IP use (13.9 percent). Computer software (7.6 percent) was the top type of IP use Chile imported from the United States.[1290]

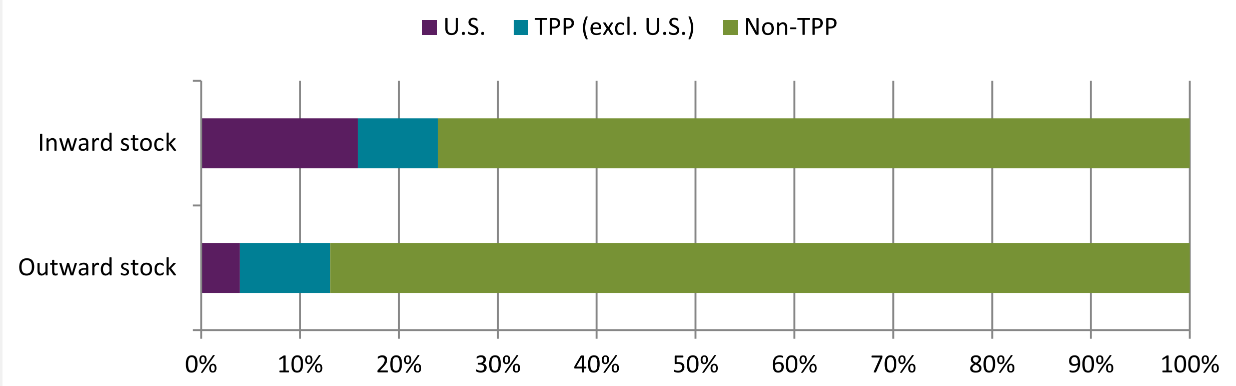
The leading services Chile exported to the United States were transport (40.4 percent), travel (29.6 percent), and other business services (14.7 percent). Research and development services (5.1 percent) and business and management consulting and public relations services (4.8 percent) were the top types of business services Chile exported to the United States.[1291]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Chile's total inward FDI stock was $207.8 billion and its total outward FDI stock was $89.7 billion.[1292] TPP countries (including the United States) accounted for about 24.0 percent of Chile's inward FDI stock and for 13.1 percent of Chile's outward FDI stock (figure F.5).[1293]

[1288] Chile's services trade data by trading partners are not available for 2014. Source: UN Service Trade Statistics Database (accessed on December 14, 2015).
[1289] USDOC, BEA, International Transactions Account database, "Table 2.2. U.S. Trade in Services, by Type of Services and by Country or Affiliation," October 15, 2015.
[1290] Ibid.
[1291] Ibid.
[1292] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1293] Because Chile's FDI data are not available for some TPP countries, the share of Chile's inward FDI stock shown for TPP countries does not include Brunei, Malaysia, and Vietnam, and the share of Chile's outward FDI stock shown for TPP countries does not include Brunei. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

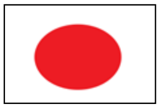
Figure F.5: Chile's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.29.
Note: Because Chile's FDI data are not available for some TPP countries, the share of Chile's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Malaysia, and Vietnam, and the share of Chile's outward FDI stock shown for TPP (excluding the United States) does not include Brunei.

FDI with the United States: In 2014, Chile's FDI stock in the United States was valued at $730 million, equal to 0.03 percent of U.S. total inward FDI stock; U.S. FDI stock in Chile was valued at $27.6 billion, or equal to 0.6 percent of U.S. total outward FDI stock. Mining (45.4 percent), finance and insurance (20.4 percent), and manufacturing (17.7 percent) were the leading destination sectors for U.S. FDI in Chile.[1294]

[1294] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis," and "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).



Japan

Economy Overview

In 2014, Japan had the world's third-largest economy with a nominal GDP of $4,601.5 billion.[1295] The World Bank considers Japan a high-income country, with GDP per capita of $36,194.4 billion (2014). However, Japan's economic growth slowed down between 2010 and 2014, and its GDP contracted by 0.1 percent in 2014 (table F.13).[1296]

Table F.13: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	5,495.4	5,954.5	4,601.5
GDP growth (real, annual %)	4.7	1.8	-0.1
GDP per capita (current $)	42,909.2	46,679.3	36,194.4
Population (million)	128.1	127.6	127.1
Internet users (per 100 people)	78.2	79.5	90.6

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2013, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 1.2 percent, 18.5 percent, 72.6 percent, and 7.7 percent of Japan's GDP, respectively.[1297] Motor vehicles, food and beverage, and machinery and equipment were the top three manufacturing sectors in Japan in terms of value added (2014).[1298] Japan was the world's third-largest motor vehicle producer after China and the United States,[1299] and was also among the world's largest and most technologically advanced manufacturers of electronic equipment, machine tools, steel and nonferrous metals, ships, and textiles.[1300]

As of January 2016, Japan had 15 bilateral and regional trade agreements signed or in force. These agreements covered 17 countries, 8 of which are TPP countries (Singapore, Mexico, Malaysia, Chile, Brunei, Vietnam, Peru, and Australia).[1301]

1295 World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
1296 World Bank, World Development Indicators (accessed December 28, 2015).
1297 Ibid.
1298 UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
1299 OICA, 2014 Production Statistics database (accessed December 28, 2015).
1300 CIA, *World Factbook* (accessed December 28, 2015).
1301 Government of Japan, Ministry of Foreign Affairs, http://www.mofa.go.jp/policy/economy/fta/ (accessed February 9, 2016).

Merchandise Trade

Trade with the world: In 2014, Japan's two-way merchandise trade with the world totaled $1,502.4 billion. China was Japan's largest trading partner, followed by the United States, the EU, South Korea, and Taiwan. TPP countries (including the United States) accounted for 28.0 percent of Japan's merchandise trade with the world.[1302]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Japan totaled $200.8 billion, accounting for 5.1 percent of total U.S. merchandise trade and making Japan the United States' fifth-largest trading partner. In 2014, the United States had a merchandise trade deficit of $67.2 billion with Japan.[1303]

See table F.14 for leading Japanese exports to the world and the United States, and table F.15 for leading Japanese imports from the world and the United States.

Table F.14: Leading Japan exports to the world and the United States, by HS 4-digit subheading, 2014

Japan exports	Value	Share
	Billion $	%
To the world:	690.2	100.0
Motor vehicles for the transport of persons (HS8703)	88.5	12.8
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	32.5	4.7
Electronic integrated circuits and parts (HS8542)	25.5	3.7
Non-crude petroleum products (HS2710)	13.4	1.9
Machines and apparatus (HS8486)	13.0	1.9
To the United States:	134.0	100.0
Motor vehicles for the transport of persons (HS8703)	33.9	25.3
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	8.3	6.2
Parts of aircraft and spacecraft (HS8803)	4.9	3.6
Printing machinery (HS8443)	3.6	2.7
Self-propelled bulldozers, angle-dozers, graders, etc. (HS8429)	2.8	2.1

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Japan's exports to the world are based on Japan's reported export data; for Japan's exports to the United States, on U.S. reported import data.

Table F.15: Leading Japan imports from the world and the United States, by HS 4-digit subheading, 2014

Japan imports	Value	Share
	Billion $	%
From the world:	812.2	100.0
Crude petroleum oils (HS2709)	130.7	16.1
Petroleum gases and other gaseous hydrocarbons (HS2711)	84.5	10.4
Wireless telephone sets and other apparatus (HS8517)	25.5	3.1
Non-crude petroleum products (HS2710)	25.0	3.1
Coal (HS2701)	19.7	2.4
From the United States:	66.8	100.0

[1302] UN, Comtrade database (accessed December 31, 2015)
[1303] USITC DataWeb/USDOC (accessed January 8, 2016).

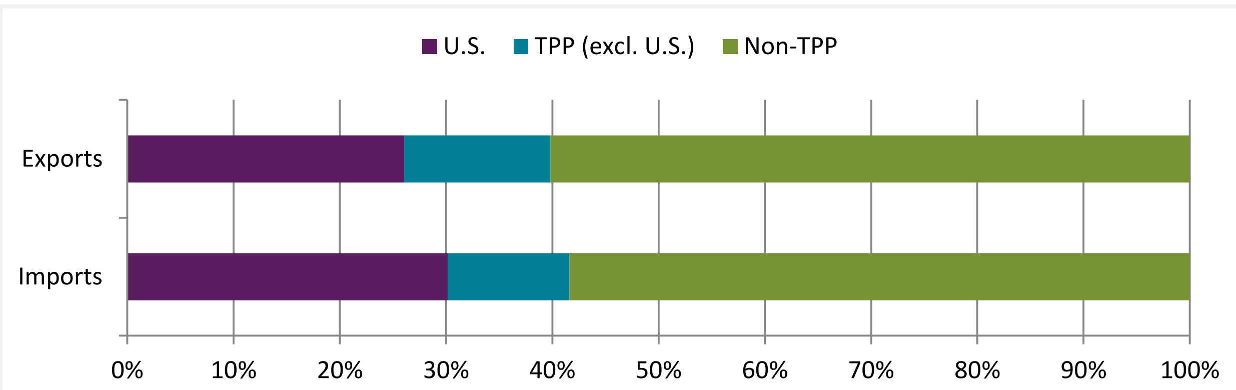
Japan imports	Value	Share
Civilian aircraft, engines, equipment, and parts (HS8800)	6.5	9.7
Corn (HS1005)	2.7	4.0
Medical/surgical,/dental/veterinary instruments and appliances (HS9018)	2.7	4.0
Medicaments (HS3004)	2.5	3.8
Pork meat, fresh, chilled or frozen (HS0203)	1.7	2.6

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Japan's imports from the world are based on Japan's reported import data; for Japan's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, Japan's two-way services trade with the world totaled $355.2 billion. The United States was Japan's largest services trading partner, followed by China, Singapore, the United Kingdom, and South Korea. TPP countries accounted for more than 40.8 percent of Japan's services trade (figure F.6).[1304]

Figure F.6: Japan's services trade, 2014



Source: OECD, Stat database (accessed April 4, 2016). Corresponds to appendix table J.30.
Note: Because Japan's services trade data are not available for some TPP countries, the shares shown for TPP (excluding the United States) do not include Brunei, Chile, and Peru.

Trade with the United States: In 2014, two-way services trade between the United States and Japan totaled $77.9 billion, accounting for 6.6 percent of total U.S. services trade. The United States had a services trade surplus of $15.5 billion with Japan.[1305]

The leading services Japan imported from the United States were travel (25.9 percent), transport (20.3 percent), and charges for IP use (18.6 percent). Computer software

[1304] Because Japan's services trade data are not available for all TPP countries, the share shown for TPP countries does not include Brunei, Chile, and Peru. Source: OECD, Stat database, "EBOPS 2010: Trade in Services by Partner Country" (accessed April 4, 2016).
[1305] USDOC, BEA, International Transactions Account database, "Table 2.2. U.S. Trade in Services, by Type of Services and by Country or Affiliation" (accessed October 15, 2015).

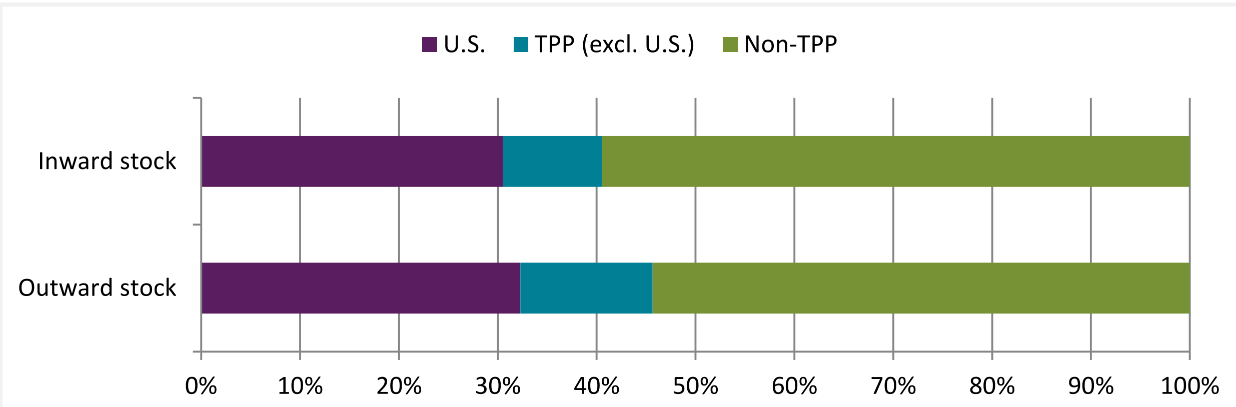
(7.5 percent), industrial processes (4.4 percent), and trademarks (4.1 percent) were the major types of IP use Japan imported from the United States.[1306]

Charges for IP use (39.7 percent), transport (25.4 percent), and other business services (10.0 percent) were the leading services Japan exported to the United States. Industrial processes (37.8 percent) were the top types of IP use Japan exported to the United States.[1307]

Foreign Direct Investment (FDI)

FDI in the world: In 2014, total Japanese inward FDI stock equaled $170.6 billion, and total outward FDI stock was $1,118.0 billion.[1308] TPP countries accounted for 40.6 percent of Japanese inward FDI stock and for 45.6 percent of Japanese outward FDI stock (figure F.7).[1309]

Figure F.7: Japan's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.31.
Note: Because Japan's FDI data are not available for some TPP countries, the shares of Japan's inward and outward FDI stock shown for TPP (excluding the United States) do not include Brunei, Chile, and Peru.

FDI in the United States: In 2014, inward FDI stock from Japan in the United States was valued at $372.8 billion, or 12.9 percent of U.S. total inward FDI stock. Wholesale trade (31.7 percent), manufacturing (31.0 percent), and finance and insurance (12.4 percent) were the leading

1306 Ibid.
1307 Ibid.
1308 UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
1309 Because the FDI data are not available for some TPP countries, the shares of Japan's inward and outward FDI stocks shown for TPP countries do not include Brunei, Chile, and Peru. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

destination sectors for Japanese FDI. Transportation equipment (10.9 percent) was the top U.S. manufacturing sector receiving Japanese investment.[1310]

In 2014, U.S. investors held $108.1 billion of FDI stock in Japan, equal to 2.2 percent of U.S. total outward FDI stock. Finance and insurance (50.0 percent), manufacturing (20.7 percent), and wholesale trade (9.9 percent) were the leading sectors in Japan receiving U.S. investment.[1311]

[1310] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1311] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Malaysia

Economy Overview

In 2014, Malaysia's nominal GDP was $338.1 billion, making it the 35th-largest economy in the world.[1312] It is a middle- to upper-middle-income country, with GDP per capita of $11,307.1. Its real GDP grew by 6.0 percent in 2014 (table F.16).[1313]

Table F.16: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	255.0	314.4	338.1
GDP growth (real, annual %)	7.4	5.5	6.0
GDP per capita (current $)	9,069.0	10,834.7	11,307.1
Population (million)	28.1	29.0	29.9
Internet users (per 100 people)	56.3	65.8	67.5

Source: World Bank Development Indicators database (accessed December 22, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 8.9 percent, 22.9 percent, 51.2 percent, and 17.0 percent of Malaysia's GDP, respectively.[1314] The leading manufacturing sectors in terms of value added were office, accounting, and computing machinery; coke, refined petroleum products, and nuclear fuel; and food and beverages (2014).[1315]

As of November 2015, Malaysia had 14 bilateral and regional trade agreements signed or in force, covering four TPP countries (Australia, Chile, Japan, and New Zealand).[1316]

Merchandise Trade

Trade with the world: In 2014, Malaysia's two-way merchandise trade with the world totaled $443.0 billion. China was Malaysia's largest trading partner, followed by Singapore, the EU, Japan, and the United States. TPP countries (including the United States) accounted for 38.5 percent of Malaysia's merchandise trade with the world.[1317]

1312 World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
1313 CIA, *World Factbook* (accessed January 19, 2016); World Bank, World Development Indicators database (accessed December 22, 2015).
1314 World Bank, World Development Indicators database (accessed December 22, 2015).
1315 UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
1316 Government of Malaysia, Ministry of International Trade and Industry, http://fta.miti.gov.my/index.php/pages/view/4 (accessed January 19, 2016).
1317 UN, Comtrade database (accessed December 31, 2015).

Trade with the United States: In 2014, two-way merchandise trade between the United States and Malaysia totaled $43.5 billion, accounting for 1.1 percent of U.S. total merchandise trade. In 2014, the United States had a merchandise trade deficit of $17.4 billion with Malaysia.[1318]

See table F.17 for leading Malaysian exports to the world and the United States, and table F.18 for leading Malaysian imports from the world and the United States.

Table F.17: Leading Malaysia exports to the world and the United States, by HS 4-digit subheading, 2014

Malaysia exports	Value	Share
	Billion $	%
Electronic integrated circuits and parts (HS8542)	31.0	13.3
Petroleum gases and other gaseous hydrocarbons (HS2711)	20.9	8.9
Non-crude petroleum products (HS2710)	18.5	7.9
Palm oil and its fractions (HS1511)	12.0	5.1
Crude petroleum oils (HS2709)	10.5	4.5
To the United States:	30.4	100.0
Electronic integrated circuits and parts (HS8542)	7.6	25.0
Wireless telephone sets and other apparatus (HS8517)	5.1	16.8
Printing machinery (HS8443)	1.5	5.1
Diodes, transistors and similar semiconductor devices (HS8541)	1.5	4.8
Apparel accessories of unhardened vulcanized rubber (HS4015)	1.1	3.6

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Malaysia's exports to the world are based on Malaysia's reported export data; for Malaysia's exports to the United States, on U.S. reported import data.

Table F.18: Leading Malaysia imports from the world and the United States, by HS 4-digit subheading, 2014

Malaysia imports	Value	Share
	Billion $	%
Electronic integrated circuits and parts (HS8542)	29.3	14.0
Non-crude petroleum products (HS2710)	22.8	10.9
Crude petroleum oils (HS2709)	7.7	3.7
Diodes, transistors and similar semiconductor devices (HS8541)	4.2	2.0
Wireless telephone sets and other apparatus (HS8517)	3.8	1.8
From the United States:	13.1	100.0
Electronic integrated circuits and parts (HS8542)	4.4	33.5
Civilian aircraft, engines, equipment, and parts (HS8800)	1.1	8.6
Wireless telephone sets and other apparatus (HS8517)	0.5	3.7
Diodes, transistors and similar semiconductor devices (HS8541)	0.4	2.9
Oscilloscopes, spectrum analyzers, etc. (HS9030)	0.3	2.3

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Malaysia's imports from the world are based on Malaysia's reported import data; for Malaysia's imports from the United States, on U.S. reported export data.

[1318] USITC DataWeb/USDOC (accessed January 8, 2016).

Cross-border Services Trade

Trade with the world: In 2014, Malaysia's two-way services trade with the world totaled $87.1 billion. Travel (40.1 percent) and transportation (20.1 percent) were the leading services Malaysia traded with the world.[1319]

Trade with the United States: In 2014, two-way services trade between the United States and Malaysia totaled $4.6 billion, accounting for 0.4 percent of total U.S. services trade. In 2014, the United States had a services trade surplus of $1.1 billion with Malaysia.

The leading services Malaysia imported from the United States were travel (24.4 percent), charges for IP use (22.0 percent), and other business services (19.6 percent). Industrial processes (8.9 percent) and computer software (5.9 percent) were the major types of IP use Malaysia imported from the United States.

The leading services Malaysia exported to the United States were other business services (more than 32.5 percent);[1320] telecommunications, computer, and information services (15.5 percent); and transport (14.7 percent). Research and development (19.6 percent) and professional and management consulting (10.2 percent) were the top types of business services Malaysia exported to the United States.[1321]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Malaysia's total inward FDI stock was $133.8 billion and its outward FDI stock was $135.7 billion.[1322] TPP countries (including the United States) accounted for over 43.2 percent of Malaysian inward FDI stock, and over 23.0 percent of Malaysian outward FDI stock (figure F.8).[1323]

[1319] No country-specific data are available for Malaysia's trade in services, and U.S. statistical agencies do not publish cross-border services trade data specific to Malaysia. Source: ASEAN, WGSITS, ASEANstats database (accessed October 31, 2015).

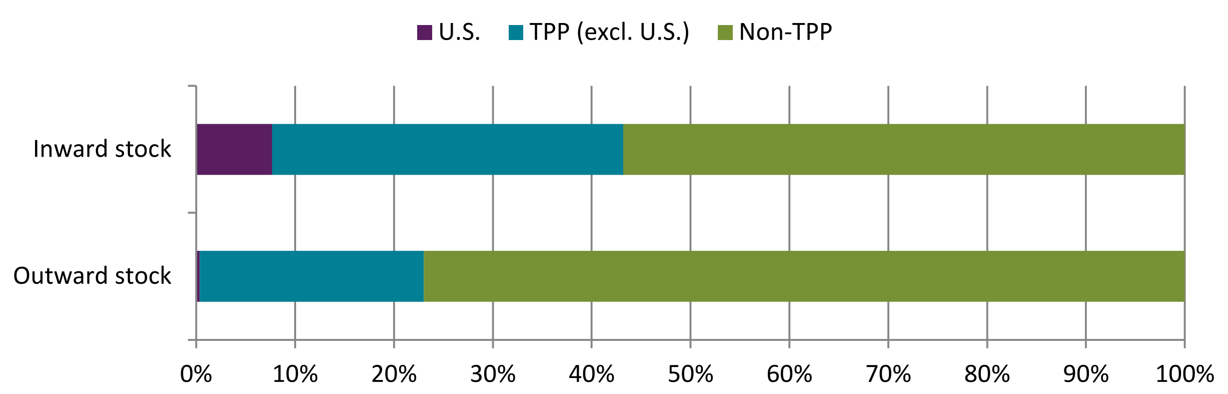
[1320] Due to confidentiality issues, the exact percentage is suppressed to avoid disclosing information about individual companies.

[1321] USDOC, BEA, International Transactions Account database, "Table 2.2 U.S. Trade in Services, by Type of Services and by Country or Affiliation" (accessed October 15, 2015).

[1322] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).

[1323] Because Malaysia's FDI data are not available for some TPP member countries, the share of Malaysia's inward FDI stock shown for TPP countries does not include Brunei, Canada, Chile, Mexico, New Zealand, Peru, and Vietnam, and the share of Malaysia's outward FDI stock shown for TPP countries does not include Brunei, Canada, Chile, Japan, Mexico, New Zealand, and Peru. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

Figure F.8: Malaysia's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.32.
Note: Because Malaysia's FDI data are not available for some TPP countries, the share of Malaysia's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Canada, Chile, Mexico, New Zealand, Peru, and Vietnam, and the share of Malaysia's outward FDI stock shown for TPP (excluding the United States) does not include Brunei, Canada, Chile, Japan, Mexico, New Zealand, and Peru.

FDI with the United States: In 2014, Malaysia's FDI stock in the United States was $0.8 billion, equal to 0.03 percent of U.S. total inward FDI stock. Other industries (48.2 percent), manufacturing (26.3 percent), and wholesale trade (7.8 percent) were the leading destination sectors for the inward FDI from Malaysia in the United States.[1324]

In 2014, U.S. FDI stock in Malaysia was valued at $14.4 billion, equal to 0.3 percent of U.S. total outward FDI stock. Mining (33.5 percent), manufacturing (29.3 percent), and finance and insurance (12.5 percent) were the leading sectors for U.S. investment in Malaysia. Of the U.S. FDI invested in the Malaysian manufacturing sector, 37.7 percent was for computers and electronic products.[1325]

[1324] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1325] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Mexico

Economy Overview

In 2014, Mexico had the 15th-largest economy in the world and the second-largest economy in Latin America, with a nominal GDP of $1,294.7 billion.[1326] The World Bank considers Mexico an upper-middle-income country, with GDP per capita of $10,325.6. Its real GDP grew by 2.2 percent in 2014 (table F.19).[1327]

Table F.19: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	1,049.9	1,184.5	1,294.7
GDP growth (real, annual %)	5.2	4.0	2.2
GDP per capita (current $)	8,851 .4	9,703.4	10,325.6
Population (million)	118.6	122.0	125.4
Internet users (per 100 people)	31.1	39.8	44.4

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed to 3.3 percent, 17.7 percent, 62.3 percent, and 16.7 percent of Mexico's GDP, respectively.[1328] Food and beverages, motor vehicles, and petroleum products were the top three manufacturing sectors in Mexico in terms of value added in 2014.[1329]

As of May 2015, Mexico had 11 free trade agreements with 46 countries, 32 agreements on the promotion and reciprocal protection of investments with 33 countries, and 9 agreements of limited scope within the framework of the Latin American Integration Association (ALADI). These agreements cover seven TPP countries (Australia, Canada, Chile, Japan, Peru, Singapore, and the United States).[1330] The North American Free Trade Agreement (NAFTA) with the United States and Canada entered into force on January 1, 1994.[1331]

[1326] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1327] World Bank, World Development Indicators database (accessed December 19, 2015).
[1328] Ibid.
[1329] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1330] Government of Mexico, Ministry of Economy, "Comercio Exterior/Países con Tratados y Acuerdos Firmados con México" [Foreign trade/Countries with treaties and agreements signed with Mexico] May 10, 2015, http://www.gob.mx/se/acciones-y-programas/comercio-exterior-paises-con-tratados-y-acuerdos-firmados-con-mexico (accessed February 10, 2016).
[1331] NAFTA Secretariat, https://www.nafta-sec-alena.org/Home/Resources/Frequently-Asked-Questions (accessed February 1, 2016).

Merchandise Trade

Trade with the world: In 2014, Mexico's two-way merchandise trade with the world totaled $797.1 billion. The United States was by far Mexico's largest trading partner, followed by China, the EU, Canada, and Japan. TPP countries (including the United States) accounted for 72.1 percent of Mexico's merchandise trade with the world.[1332]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Mexico totaled $534.3 billion, accounting for 13.5 percent of total U.S. merchandise trade and making Mexico the United States' third-largest single-country trading partner. In 2014, the United States had a merchandise trade deficit of $53.8 billion with Mexico.[1333]

See table F.20 for leading Mexico exports to the world and the United States, and table F.21 for leading Mexico imports from the world and the United States.

Table F.20: Leading Mexico exports to the world and the United States, by HS 4-digit subheading, 2014

Mexico exports	Value	Share
	Billion $	%
Crude petroleum oils (HS2709)	35.9	9.0
Motor vehicles for the transport of persons (HS8703)	32.4	8.2
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	22.8	5.7
Motor vehicles for the transport of goods (HS8704)	21.5	5.4
Automatic data processing machines and units (HS8471)	20.7	5.2
To the United States:	294.1	100.0
Crude petroleum oils (HS2709)	27.7	9.4
Motor vehicles for the transport of persons (HS8703)	21.5	7.3
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	19.0	6.5
Motor vehicles for the transport of goods (HS8704)	19.0	6.5
Automatic data processing machines and units (HS8471)	13.5	4.6

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Mexico's exports to the world are based on Mexico's reported export data; for Mexico's exports to the United States, on U.S. reported import data.

[1332] UN, Comtrade database (accessed December 31, 2015).
[1333] USITC DataWeb/USDOC (accessed January 8, 2016).

Table F.21: Leading Mexico imports from the world and the United States, by HS 4-digit subheading, 2014

Mexico imports	Value	Share
	Billion $	%
Non-crude petroleum products (HS2710)	24.4	6.1
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	22.9	5.7
Electronic integrated circuits and parts (HS8542)	13.9	3.5
Wireless telephone sets and other apparatus (HS8517)	13.4	3.4
Parts for telecommunication equipment (HS8529)	9.5	2.4
From the United States:	240.2	100.0
Non-crude petroleum products (HS2710)	18.5	7.7
Parts and accessories for tractors, public-transport passenger vehicles, and other special purpose motor vehicles (HS8708)	15.5	6.4
Parts and accessories for data recording and processing machines (HS8473)	10.5	4.4
Electronic integrated circuits and parts (HS8542)	5.1	2.1
Wireless telephone sets and other apparatus (HS8517)	4.6	1.9

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Mexico's imports from the world are based on Mexico's reported import data; for Mexico's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2013, Mexico's two-way services trade with the world totaled $52.1 billion. Travel (44.3 percent) and transportation (25.9 percent) were the leading services Mexico traded with the world.[1334]

Trade with the United States: In 2014, two-way services trade between the United States and Mexico totaled $49.5 billion, accounting for 4.2 percent of total U.S. services trade. The United States had a services trade surplus of $10.5 billion with Mexico.[1335]

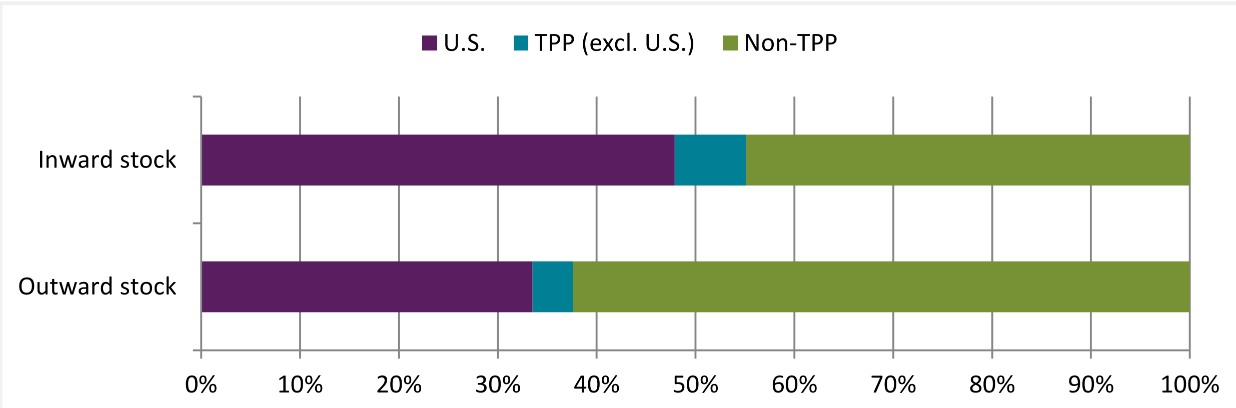
Travel accounted for 52.0 percent of Mexico's total services imports from the United States, followed by transport (13.8 percent), charges for IP use (10.6 percent), and other business services (10.3 percent). Travel accounted for 62.9 percent of Mexico's total services exports to the United States, followed by other business services (13.8 percent), and transport (10.8 percent). Technical, trade-related, and other business services were the top business services traded between these two countries.[1336]

[1334] Neither data for 2014 nor country-specific data are available for Mexico's trade in services. Source: UN, Service Trade Statistics Database (accessed December 14, 2015).
[1335] USDOC, BEA, International Transactions Account database, "Table 2.2 U.S. Trade in Services, by Type of Services and by Country or Affiliation" (accessed October 15, 2015).
[1336] Ibid.

Foreign Direct Investment

FDI with the world: In 2014, Mexico's total inward FDI stock was $338.0 billion, and total outward FDI stock was $131.2 billion.[1337] TPP countries (including the United States) accounted for over 55.1 percent of Mexico's inward FDI stock, and over 37.6 percent of Mexico's outward FDI stock (figure F.9).[1338]

Figure F.9: Mexico's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.33.
Note: Because Mexico's FDI data are not available for some TPP countries, the share of Mexico's outward FDI stock shown for TPP (excluding the United States) does not include Australia, Brunei, Japan, Malaysia, New Zealand, Singapore, and Vietnam.

FDI with the United States: In 2014, Mexico's FDI stock in the United States was valued at $17.7 billion, equal to 0.6 percent of U.S. total inward FDI stock. The manufacturing sector (27.4 percent) was the leading destination for Mexican investment, with over one-half going to food manufacturing.[1339]

In 2014, U.S. FDI stock in Mexico was valued at $107.8 billion, equal to 2.2 percent of U.S. total outward FDI stock. Non-bank holding companies (36.5 percent), manufacturing (28.3 percent), finance and insurance (9.8 percent), and mining (8.7 percent) were the leading sectors receiving U.S. investment in Mexico.[1340]

[1337] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1338] Because Mexico's FDI data are not available for some TPP countries, the share of Mexico's outward FDI stock shown for TPP countries does not include Australia, Brunei, Japan, Malaysia, New Zealand, Singapore, and Vietnam. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).
[1339] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1340] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

New Zealand

Economy Overview

The World Bank considers New Zealand a high-income country.[1341] In 2014, New Zealand had a nominal GDP of $169.9 billion and GDP per capita of $38,113.[1342] In 2014, its real GDP grew at 3.2 percent (table F.22).[1343]

Table F.22: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	145.3	174.1	200.0
GDP growth (real, annual %)	1.4	2.2	3.0
GDP per capita (current $)	33,394.1	39,505.0	44,342.2
Population (million)	4.4	4.4	4.5
Internet users (per 100 people)	81.0	82.0	85.5

Source: World Bank, World Development Indicators database (accessed April 4, 2016); OECD, Stat database (accessed February 2, 2016).

In 2011, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 6.9 percent, 12.1 percent, 69.7 percent, and 11.2 percent of New Zealand's GDP, respectively.[1344] Food and beverages; coke and refined petroleum products; and fabricated metal products are the top three manufacturing sectors in New Zealand in terms of value added (2014).[1345]

As of February 2016, New Zealand had nine bilateral and regional trade agreements in force with 15 partner economies; six of them are TPP countries (Australia, Brunei, Chile, Malaysia, Singapore, and Vietnam).[1346]

Merchandise Trade

Trade with the world: In 2014, New Zealand's two-way merchandise trade with the world totaled $84.1 billion. China was New Zealand's largest trading partner, followed by Australia,

[1341] World Bank, "Country: New Zealand" http://data.worldbank.org/country/new-zealand#cp_gep (accessed February 10, 2016).
[1342] OECD, Stat database (accessed February 2, 2016).
[1343] Government of New Zealand, the Reserve Bank of New Zealand, "Real GDP" (accessed February 2, 2016).
[1344] Data after 2011 are not available. Source: World Bank, World Development Indicators database (accessed December 19, 2015).
[1345] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1346] Government of New Zealand, Ministry of Foreign Affairs and Trade, "Free Trade Agreements in Force," http://mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/index.php (accessed February 10, 2016).

the EU, the United States, and Japan. TPP countries (including the United States) accounted for 41.5 percent of New Zealand's merchandise trade with the world.[1347]

Trade with the United States: In 2014, two-way merchandise trade between the United States and New Zealand totaled $8.2 billion. The United States had a merchandise trade surplus of $0.3 billion with New Zealand. New Zealand accounted for 0.2 percent of U.S. total merchandise trade.[1348]

See table F.23 for leading New Zealand exports to the world and the United States, and table F.24 for leading New Zealand imports from the world and the United States.

Table F.23: Leading New Zealand exports to the world and the United States, by HS 4-digit subheading, 2014

New Zealand exports	Value	Share
	Billion $	%
To the world:	41.6	100.0
Concentrated milk and cream (HS0402)	7.6	18.4
Meat of sheep or goats, fresh, chilled or frozen (HS0204)	2.5	6.0
Butter and other milk fat or oil (HS0405)	2.1	5.2
Wood in the rough (HS4403)	1.9	4.5
Meat of bovine animals, frozen (HS0202)	1.8	4.4
To the United States:	4.0	100.0
Meat of bovine animals, frozen (HS0202)	0.9	23.8
Grape wine and must (HS2204)	0.3	8.3
Whey and other milk products (HS0404)	0.3	7.2
Casein products (HS3501)	0.3	7.0
Meat of sheep or goats, fresh, chilled or frozen (HS0204)	0.2	4.8

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for New Zealand's exports to the world are based on New Zealand's reported export data; for New Zealand's exports to the United States, on U.S. reported import data.

[1347] UN, Comtrade database (accessed December 31, 2015).
[1348] USITC DataWeb/USDOC (accessed January 8, 2016).

Table F.24: Leading New Zealand imports from the world and the United States, by HS 4-digit subheading, 2014

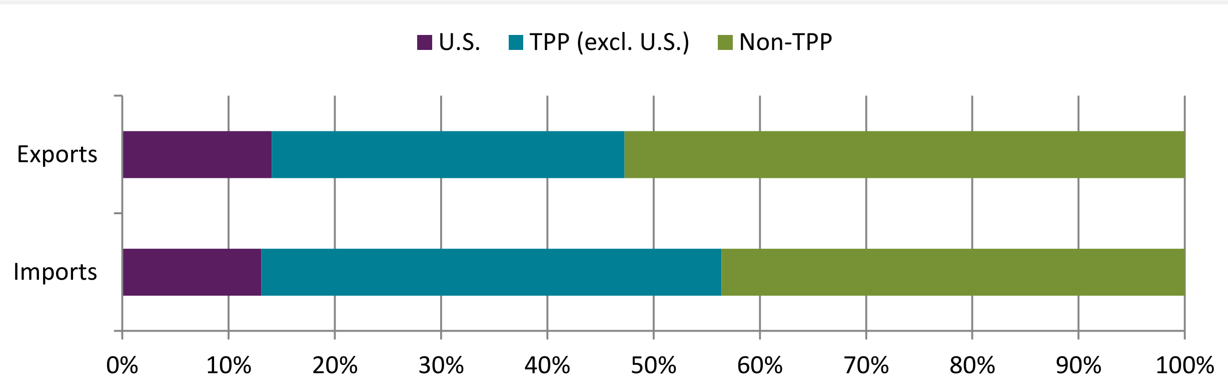
New Zealand imports	Value	Share
	Billion $	%
From the world:	42.5	100.0
Crude petroleum oils (HS2709)	4.0	9.3
Motor vehicles for the transport of persons (HS8703)	3.4	8.0
Non-crude petroleum products (HS2710)	2.3	5.4
Powered aircraft and spacecraft launch vehicles (HS8802)	1.3	3.1
Motor vehicles for the transport of goods (HS8704)	1.2	2.8
From the United States:	4.3	100.0
Civilian aircraft, engines, equipment, and parts (HS8800)	1.3	29.7
Motor vehicles for the transport of persons (HS8703)	0.2	5.5
Sugar (HS1702)	0.1	1.9
Aircraft, powered; spacecraft; and spacecraft launch vehicles (HS8802)	0.1	1.8
Mechanical appliances for dispersing liquid or powder; fire extinguishers, spray guns, etc.(HS8424)	0.1	1.4

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for New Zealand's imports from the world are based on New Zealand reported import data; for New Zealand's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, New Zealand's two-way services trade with the world totaled $27.6 billion. Australia was New Zealand's largest services trading partner, followed by the United States, China, the United Kingdom, and Singapore. TPP countries (including the United States) accounted for at least 51.6 percent of New Zealand's service trade (figure F.10).[1349]

Figure F.10: New Zealand's services trade, 2014



Source: OECD, Stat database (accessed April 4, 2016). Corresponds to appendix table J.34.
Note: Because New Zealand's services trade data are not available for some TPP countries, the share shown for TPP (excluding the United States) does not include Chile and Peru.

[1349] Because New Zealand's services trade data are not available for some TPP countries, the share shown for TPP countries does not include Chile and Peru. Source: OECD, Stat database, "EBOPS 2010: Trade in Services by Partner Country" (accessed April 4, 2016).

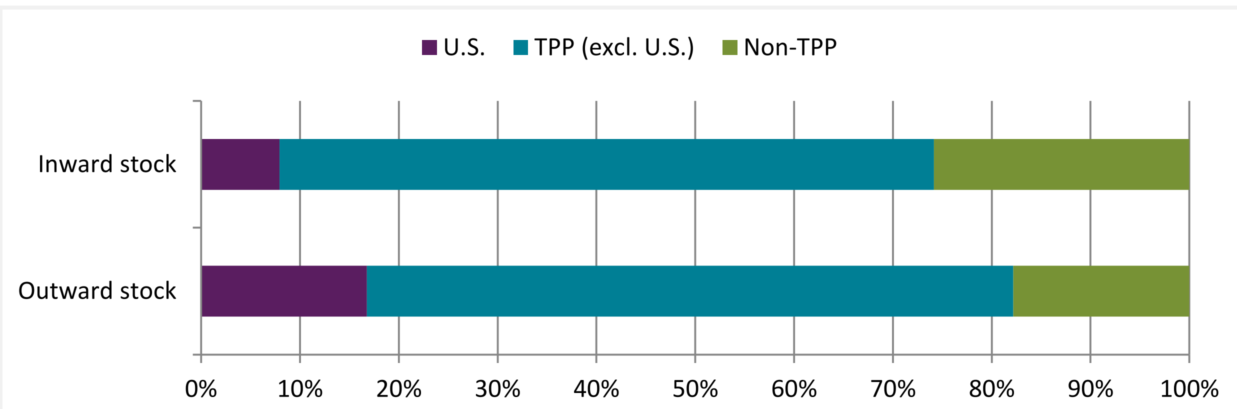
Trade with the United States: In 2014, two-way services trade between the United States and New Zealand totaled $3.7 billion, accounting for 0.3 percent of total U.S. services trade. The United States had a services trade surplus of $0.8 billion with New Zealand.

The leading services New Zealand imported from the United States were travel (46.8 percent), royalties and license fees for IP use (14.6 percent), and financial services (12.8 percent). The leading services New Zealand exported to the United States were travel (39.9 percent), transport (34.5 percent), and other business services (16.1 percent).[1350]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, New Zealand's total inward FDI stock was $76.8 billion and outward FDI stock was $18.7 billion. TPP countries (including the United States) accounted for 74.2 percent of New Zealand's inward FDI stock, and 82.2 percent of New Zealand's outward FDI stock (figure F.11). Australia is by far the largest source and destination of New Zealand's inward and outward FDI.[1351]

Figure F.11: New Zealand's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.35.
Note: Because New Zealand's FDI data are not available for some TPP countries, the share of New Zealand's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Chile, Malaysia, Mexico, Peru, and Vietnam, and the share of New Zealand's outward FDI stock shown for TPP (excluding the United States) does not include Brunei, Chile, Mexico, Peru, and Vietnam.

FDI with the United States: In 2014, New Zealand's FDI stock in the United States was valued at $1.0 billion, equal to 0.03 percent of U.S. total inward FDI stock. Wholesale trade (59.5 percent)

[1350] USDOC, BEA, International Transactions Account database, "Table 2.2 U.S. Trade in Services, by Type of Services and by Country or Affiliation" (accessed October 15, 2015).
[1351] Because New Zealand's FDI data are not available for some TPP countries, the share of New Zealand's inward FDI stock shown for TPP countries does not include Brunei, Chile, Malaysia, Mexico, Peru, and Vietnam, and the share of New Zealand's outward FDI stock shown for TPP countries does not include Brunei, Chile, Mexico, Peru, and Vietnam. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

was the leading destination sector for New Zealand's investment in the United States, followed by manufacturing (27.2 percent).[1352]

Also in 2014, U.S. FDI stock in New Zealand was valued at $7.8 billion, equal to 0.2 percent of U.S. total outward FDI stock. Manufacturing (26.3 percent), finance and insurance (23.6 percent), and non-bank holding companies (18.0 percent) were the leading sectors for U.S. investment in New Zealand.[1353]

[1352] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1353] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Peru

Economy Overview

In 2014, Peru's nominal GDP was $202.6 billion, making it the world's 52nd-largest economy.[1354] The World Bank classified Peru as an upper-middle-income country, with GDP per capita of $6,541.0. In 2014, Peru's real GDP grew by 2.4 percent (table F.25).[1355]

Table F.25: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	148.5	192.7	202.6
GDP growth (real, annual %)	8.5	6.0	2.4
GDP per capita (current $)	5,056.3	6,388.8	6,541.0
Population (million)	29.3	30.2	31.0
Internet users (per 100 people)	34.8	38.2	40.2

Source: World Bank, World Development Indicators database (accessed December 28, 2015).

In 2012, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 7.4 percent, 14.9 percent, 55.8 percent, and 21.9 percent of Peru's GDP, respectively.[1356] In 2014, food and beverage, non-metallic mineral products, and chemicals and chemical products were the top three manufacturing sectors in Peru in terms of value added.[1357] Mining is an important sector in Peru's economy; primary commodities, including gold, copper, lead, and zinc, are Peru's leading exports.[1358]

As of July 2015, Peru had 18 bilateral and regional trade agreements signed or in force. Six of them were with other TPP countries (Canada, Chile, Japan, Mexico, Singapore, and the United States).[1359] The U.S.-Peru Free Trade Agreement (PTPA) was signed on April 12, 2006[1360] and entered into force on February 1, 2009.[1361]

[1354] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1355] World Bank, World Development Indicators database (accessed December 28, 2015).
[1356] Ibid.
[1357] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1358] UN, Comtrade database (accessed December 31, 2015).
[1359] Organization of American States, Foreign Trade Information System, http://www.sice.oas.org/ctyindex/PER/PERagreements_e.asp (accessed February 10, 2016).
[1360] Organization of American States, Foreign Trade Information System, http://www.sice.oas.org/ctyindex/PER/PERagreements_e.asp (accessed February 10, 2016).
[1361] USTR, "Peru Trade Promotion Agreement" https://ustr.gov/trade-agreements/free-trade-agreements/peru-tpa (accessed February 1, 2016).

Merchandise Trade

Trade with the world: In 2014, Peru's two-way merchandise trade with the world totaled $80.7 billion. China was Peru's largest trading partner, followed by the United States, the EU, Brazil, and Canada. TPP countries (including the United States) accounted for 34.3 percent of Peru's merchandise trade with the world.[1362]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Peru totaled $16.1 billion, accounting for 0.4 percent of total U.S. merchandise trade. In 2014, the United States had a merchandise trade surplus of $4.0 billion with Peru.[1363]

See table F.26 for leading Peru exports to the world and the United States, and table F.27 for leading Peru imports from the world and the United States.

Table F.26: Leading Peru exports to the world and the United States, by HS 4-digit subheading, 2014

Peru exports	**Value**	**Share**
	Billion $	%
To the world:	38.5	100.0
Copper ores and concentrates (HS2603)	6.9	18.0
Gold (HS7108)	5.6	14.6
Non-crude petroleum products (HS2710)	3.3	8.6
Refined copper products(HS7403)	1.9	4.8
Flours, meals and pellets (HS2301)	1.4	3.5
To the United States:	6.1	100.0
Non-crude petroleum products (HS2710)	0.9	15.0
Gold (HS7108)	0.7	12.2
Crude petroleum oils (HS2709)	0.4	5.9
Silver (HS7106)	0.3	4.4
Vegetables, fresh or chilled (HS0709)	0.3	3.1

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Peru's exports to the world are based on Peru's reported export data; for Peru's exports to the United States, on U.S. reported import data.

[1362] UN, Comtrade database (accessed December 31, 2015).
[1363] USITC DataWeb/USDOC (accessed January 8, 2016).

Table F.27: Leading Peru imports from the world and the United States, by HS 4-digit subheading, 2014

Peru imports	Value	Share
	Billion $	%
From the world:	42.2	100.0
Crude petroleum oils (HS2709)	3.0	7.2
Non-crude petroleum products (HS2710)	2.9	6.8
Motor vehicles for the transport of persons (HS8703)	1.8	4.2
Wireless telephone sets and other apparatus (HS8517)	1.7	3.9
Motor vehicles for the transport of goods (HS8704)	0.9	2.0
From the United States:	10.1	100.0
Non-crude petroleum products (HS2710)	2.7	26.6
Corn (HS1005)	0.5	4.7
Wireless telephone sets and other apparatus (HS8517)	0.4	3.6
	Billion $	%
Automated data processing machines and units (HS8471)	0.3	3.0
Self-propelled bulldozers, angle-dozers, graders etc. (HS8429)	0.2	1.8

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Peru's imports from the world are based on Peru's reported import data; for Peru's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2013, Peru's two-way services trade with the world totaled $13.4 billion. Travel (34.3 percent), transportation (32.9 percent), and other business services (13.6 percent) were the leading services Peru traded with the world.[1364]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Peru's total inward FDI stock was $79.4 billion, and its total outward FDI stock was $4.2 billion.[1365] TPP countries such as Canada, Chile, the United States, and Mexico were among the top sources of Peru's inward FDI.[1366]

FDI with the United States: In 2014, U.S. FDI stock in Peru was valued at $6.5 billion, or equal to 0.1 percent of U.S. total outward FDI stock. The mining sector accounted for 62.8 percent of total U.S. investment in the country.[1367]

[1364] No country-specific data are available for Peru's trade in services. The latest available data are for 2013, and U.S. statistical agencies do not publish cross-border services trade data specific to Peru. Source: UN, Service Trade Statistics Database (accessed December 15, 2015).
[1365] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1366] IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).
[1367] BEA, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Singapore

Economy Overview

In 2014, Singapore had the world's 36th-largest economy with a nominal GDP of $308 billion.[1368] Singapore is also one of the most developed countries in the world, with GDP per capita of $56,284.6. In 2014, its real GDP grew by 2.9 percent (table F.28).[1369]

Table F.28: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	236.4	289.9	307.9
GDP growth (real, annual %)	15.2	3.4	2.9
GDP per capita (current $)	46,570.0	54,577.1	56,284.6
Population (million)	5.1	5.3	5.5
Internet users (per 100 people)	71.0	72.0	82.0

Source: World Bank, World Development Indicators database (accessed on December 28, 2015).

Agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 0.03 percent, 18.4 percent, 75.0 percent, and 6.5 percent of Singapore's GDP, respectively, in 2014.[1370] Office, accounting and computing machinery; chemicals and chemical products; and machinery and equipment were the top three manufacturing sectors in Singapore in terms of value added.[1371]

As of January 2016, Singapore had 20 bilateral and regional trade agreements in force, covering nine TPP countries (Australia, Brunei, Chile, Japan, Malaysia, New Zealand, Peru, the United States, and Vietnam).[1372] The U.S.-Singapore bilateral FTA was signed in 2003 and entered into force in 2004.

Merchandise Trade

Trade with the world: In 2014, Singapore's two-way merchandise trade with the world totaled $776.0 billion. China was Singapore's largest trading partner, followed by Malaysia, the EU, the

[1368] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1369] World Bank, World Development Indicators (accessed December 28, 2015).
[1370] World Bank, World Development Indicators database (accessed on December 28, 2015).
[1371] UNIDO, Statistical Country Briefs database (accessed on February 2, 2016).
[1372] Government of Singapore, http://www.fta.gov.sg/sg_fta.asp (accessed on January 16, 2016).

United States, and Indonesia. TPP countries accounted for 30.3 percent of Singapore's merchandise trade with the world.[1373]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Singapore totaled $46.7 billion, accounting for 1.2 percent of total U.S. merchandise trade. In 2014, the United States had a merchandise trade surplus of $13.8 billion with Singapore.[1374]

See table F.29 for leading Singapore exports to the world and the United States, and table F.30 for the leading Singapore imports from the world and the United States.

Table F.29: Leading Singapore exports to the world and the United States, by HS 4-digit subheading, 2014

Singapore exports to the world	**Value**	**Share**
	Billion $	%
Total:	409.8	100.0
Electronic integrated circuits and parts (HS 8542)	83.7	20.4
Non-crude petroleum products (HS 2710)	66.1	16.1
Automated data processing machines and units (HS 8471)	9.3	2.3
Telephones and cellular telephones (HS 8517)	8.5	2.1
Semiconductors and components (HS 8541)	8.0	1.9
Singapore exports to the United States:		
Total:	16.4	100.0
Heterocyclic compounds (HS 2933)	1.5	8.9
Sulfonamides (HS 2935)	1.1	6.9
Electronic integrated circuits and parts (HS 8542)	1.1	6.6
Pharmaceuticals (HS 3004)	0.8	4.9
Automated data processing machines and units (HS 8471)	0.8	4.7

Source: UN, Comtrade (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Singapore's exports to the world are based on Singapore's reported export data; for Singapore's exports to the United States, on U.S. reported import data.

Table F.30: Leading Singapore imports from the world and the United States, by HS 4-digit subheading, 2014

Singapore imports from the world	**Value**	**Share**
	Billion $	%
Total	366.2	100.0
Non-crude petroleum products (HS2710)	72.3	19.7
Electronic integrated circuits and parts (HS8542)	58.3	15.9
Crude petroleum oils (HS2709)	34.3	9.4
Wireless telephone sets and other apparatus (HS8517)	8.5	2.3
Turbo-jets, turbo-propellers and other gas turbines (HS8411)	7.5	2.1
Singapore imports from the United States:		
Total	30.2	100.0
Civilian aircraft, engines, equipment, and parts (HS8800)	4.0	13.3
Non-crude petroleum products (HS2710)	3.8	12.6
Electronic integrated circuits and parts (HS8542)	1.6	5.4
Medical/surgical,/dental/veterinary instrument & appliances (HS9018)	0.9	2.8

[1373] UN, Comtrade database (accessed December 31, 2015).
[1374] USITC DataWeb/USDOC (accessed January 8, 2016).

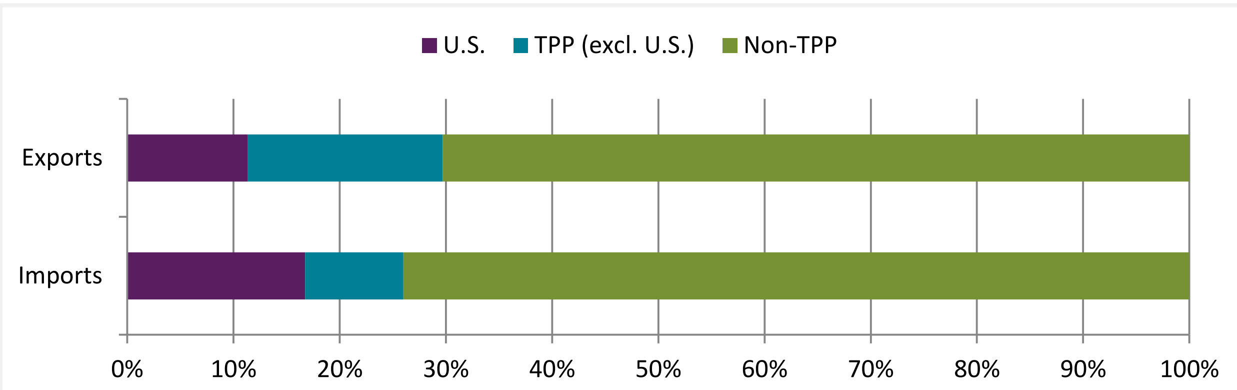
Singapore imports from the world	Value	Share
Automated data processing machines and units (HS 8471)	0.7	2.3

Source: UN, Comtrade (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Singapore's exports to the world are based on Singapore's reported export data; for Singapore's exports to the United States, on U.S. reported import data.

Cross-border Services Trade

Trade with the world: In 2014, Singapore's two-way services trade with the world totaled $293.6 billion.[1375] The United States was Singapore's largest services trading partner, followed by China, Australia, Japan, and the United Kingdom. TPP countries accounted for more than 27.8 percent of Singapore's service trade (figure F.12).[1376] In 2014, Singapore's services trade amounted to 100.0 percent of its GDP—among the highest globally.[1377]

Figure F.12: Singapore's services trade, 2014



Source: Government of Singapore, Department of Statistics, "Singapore International Trade in Services 2014" (accessed April 4, 2016). Corresponds to appendix table J.36.
Note: Because Singapore's services trade data are not available for some TPP countries, the shares shown for TPP (excluding the United States) do not include Brunei, Chile, Mexico, and Peru.

Trade with the United States: In 2014, two-way services trade between the United States and Singapore totaled $17.9 billion, accounting for 1.5 percent of total U.S. services trade. In 2014, the United States had a services trade surplus of $6.0 billion with Singapore.

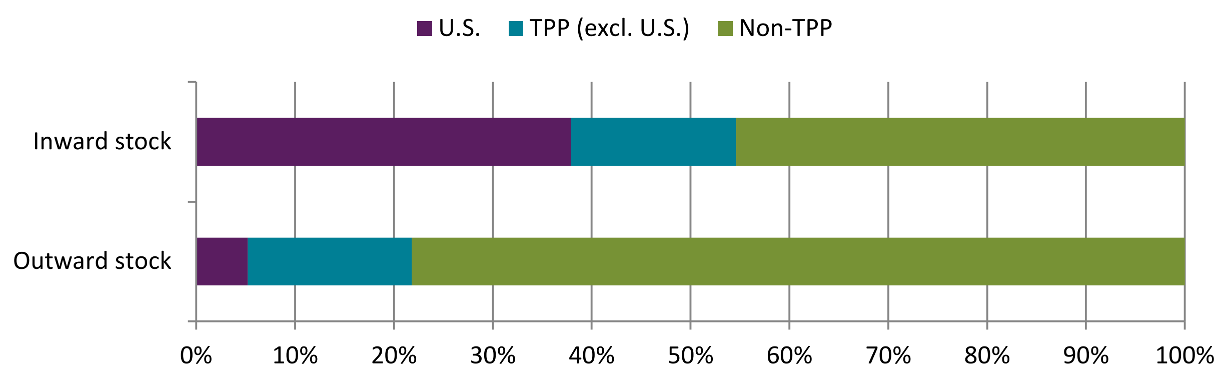
[1375] In 2014, Singapore's overall trade in services totaled at 389.2 billion in Singapore dollar, or approximately 293.6 billion in US dollar with the exchange rate of 1 Singapore dollar=0.75448 US dollar on December 31, 2014. Source: Government of Singapore, Department of Statistics, "Singapore's International Trade in Services 2014" (accessed April 4, 2016); and www.xe.com, "Ex Currency Chart (SGD/USD)," http://www.xe.com/currencycharts/?from=SGD&to=USD&view=5Y (accessed April 5, 2016).
[1376] Because services trade data are not available for all TPP countries, the shares shown for TPP do not include Brunei, Chile, Mexico, and Peru. Government of Singapore, Department of Statistics, "Singapore International Trade in Services 2014" (accessed April 4, 2016).
[1377] Government of Singapore, Department of Statistics, "Singapore's International Trade in Services 2014" (accessed April 4, 2016).

The leading services Singapore imported from the United States were other business services (31.1 percent), particularly business and management consulting and public relations services; charges for IP use (27.9 percent), particularly for industrial processes; and maintenance and repair services (9.1 percent). The leading services Singapore exported to the United States were other business services (40.3 percent), transportation (19.3 percent), and travel (11.6 percent).[1378]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Singapore's total inward FDI stock was $912.4 billion, and total outward FDI stock was $576.4 billion.[1379] TPP countries (including the United States) accounted for 54.6 percent of Singapore's inward FDI stock, and 21.8 percent of Singapore's outward FDI stock (figure F.13).[1380]

Figure F.13: Singapore's inward and outward FDI stocks, 2014



Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Corresponds to appendix table J.37.
Notes: Because the FDI data are not available for some TPP countries, the share of Singapore's inward FDI stock shown for TPP (excluding the United States) does not include Brunei, Mexico, Peru, and Vietnam, and the share of Singapore's outward FDI stock shown for TPP (excluding the United States) does not include Brunei, Peru, and Vietnam.

[1378] USDOC, BEA, "Table 2.2. U.S. Trade in Services, by Type of Services and by Country or Affiliation," October 15, 2015.
[1379] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1380] Because Singapore's FDI data are not available for some TPP countries, the share of Singapore's inward FDI stock shown for TPP countries does not include Brunei, Mexico, Peru, and Vietnam, and the share of Singapore's outward FDI stock shown for TPP countries does not include Brunei, Peru, and Vietnam. Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015).

FDI with the United States: In 2014, Singapore's FDI stock in the United States was valued at $20.6 billion, equal to 0.7 percent of U.S. total inward FDI stock. Wholesale trade (22.2 percent) was one of the leading destinations for Singaporean investment. [1381]

In 2014, U.S. FDI stock in Singapore was valued at $179.8 billion, equal to 3.7 percent of U.S. total outward FDI stock. Non-bank holding companies (57.8 percent), manufacturing (17.8 percent, 70 percent of which was in the manufacturing of computer and electronic products), and finance and insurance (10.4 percent) were the leading sectors to receive U.S. investment in Singapore.[1382]

[1381] USDOC, BEA, International Transactions Account database, "Foreign Direct Investment Position in the United States on a Historical-cost Basis" (accessed December 28, 2015).
[1382] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

Vietnam

Economy Overview

In 2014, Vietnam's nominal GDP was $186.2 billion and its GDP per capita was $2,052.3, making it the world's 54th-largest economy.[1383] The World Bank considers Vietnam a lower-middle-income country.[1384] In 2014, Vietnam's GDP grew by 6.0 percent (table F.31).[1385]

Table F.31: Major economic indicators, 2010–14

Economic indicators	2010	2012	2014
GDP (current billion $)	115.9	155.8	186.2
GDP growth (real, annual %)	6.4	5.2	6.0
GDP per capita (current $)	1,333.6	1,755.3	2,052.3
Population (million)	86.9	88.8	90.7
Internet users (per 100 people)	30.7	39.5	48.3

Source: World Bank, World Bank Development Indicators database (accessed December 22, 2015).

In 2014, agriculture, manufacturing, services, and other industries (including mining, construction, and utilities) contributed 18.1 percent, 17.5 percent, 43.4 percent, and 21.0 percent of Vietnam's GDP, respectively.[1386] Food and beverages; office, accounting and computing machinery; and non-metallic mineral products were the top three manufacturing sectors in Vietnam in terms of value added.[1387]

As of January 2016, Vietnam had 10 bilateral and regional trade agreements signed or in force. Six of them were signed collectively under ASEAN, of which Vietnam is a member. These agreements cover 19 partner countries, 7 of which are other TPP countries (Australia, Brunei, Chile, Japan, Malaysia, New Zealand, and Singapore).[1388]

Merchandise Trade

Trade with the world: In 2014, Vietnam's two-way merchandise trade with the world totaled $298.1 billion. China was Vietnam's largest trading partner, followed by the EU, the United

[1383] World Bank, "Gross Domestic Product 2014," http://data.worldbank.org/data-catalog/GDP-ranking-table (accessed December 28, 2015).
[1384] World Bank, "Country: Vietnam" http://data.worldbank.org/country/vietnam (accessed February 10, 2016).
[1385] World Bank, World Development Indicators database (accessed December 22, 2015).
[1386] Ibid.
[1387] UNIDO, Statistical Country Briefs database (accessed February 2, 2016).
[1388] Asian Development Bank, Asia Regional Integration Center, "Free Trade Agreements," http://aric.adb.org/fta-country (accessed February 10, 2016).

States, South Korea, and Japan. TPP countries accounted for 31.0 percent of Vietnam's merchandise trade with the world.[1389]

Trade with the United States: In 2014, two-way merchandise trade between the United States and Vietnam totaled $36.3 billion, accounting for 0.9 percent of total U.S. merchandise trade. In 2014, the United States had a merchandise trade deficit of $24.9 billion with Vietnam.[1390]

See table F.32 for Vietnam's leading exports to the world and the United States, and table F.33 for Vietnam's leading imports from the world and the United States.

Table F.32: Leading Vietnam exports to the world and the United States, by HS 4-digit subheading, 2014

Vietnam exports	**Value**	**Share**
	Billion $	%
To the world:	150.2	100.0
Wireless telephone sets and other apparatus (HS8517)	24.4	16.2
Crude petroleum oils (HS2709)	7.2	4.8
Footwear, with outer soles and uppers of leather (HS6403)	4.3	2.9
Automated data processing machines and units (HS8471)	3.8	2.5
Footwear, with outer soles and uppers of textile materials (HS6404)	3.7	2.4
To the United States:	30.6	100.0
Furniture and parts (HS9403)	2.4	7.9
Apparels such as sweaters, etc., knitted or crocheted (HS6110)	1.8	6.0
Wireless telephone sets and other apparatus (HS8517)	1.8	6.0
Automated data processing machines and units (HS8471)	1.8	5.7
Footwear, with outer soles and uppers of leather (HS6403)	1.7	5.5

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Vietnam's exports to the world are based on Vietnam's reported export data; for Vietnam's exports to the United States, on U.S. reported import data.

[1389] UN, Comtrade database (accessed December 31, 2015).
[1390] USITC DataWeb/USDOC (accessed January 8, 2016).

Table F.33: Leading Vietnam imports from the world and the United States, by HS 4-digit subheading, 2014

Vietnam imports	Value	Share
	Billion $	%
From the world:	147.8	100.0
Electronic integrated circuits and parts (HS8542)	10.3	7.0
Wireless telephone sets and other apparatus (HS8517)	9.4	6.3
Non-crude petroleum products (HS2710)	8.0	5.4
Flat-rolled iron or non-alloy steel products, 600 mm (23.6 in.) or more wide, hot-rolled, non clad, plated or coated (HS7208)	2.2	1.5
Polymers of ethylene, in primary forms (HS3901)	1.9	1.3
From the United States:	5.7	100.0
Electronic integrated circuits and parts (HS8542)	0.4	6.9
Cotton, not carded or combined (HS5201)	0.4	6.8
Soybeans (HS1201)	0.3	6.0
Fresh or dried nuts (HS0802)	0.3	4.9
Concentrated or sweetened milk and cream (HS0402)	0.2	3.5

Source: UN, Comtrade database (accessed December 31, 2015); USITC DataWeb/USDOC (accessed January 8, 2016).
Note: Figures for Vietnam's imports from the world are based on Vietnam's reported import data; for Vietnam's imports from the United States, on U.S. reported export data.

Cross-border Services Trade

Trade with the world: In 2014, Vietnam's two-way services trade with the world totaled $25.4 billion. Transportation (40.1 percent) and travel (37.4 percent) were the leading services Vietnam traded with the world.[1391]

Foreign Direct Investment (FDI)

FDI with the world: In 2014, Vietnam's total inward FDI stock was $91.0 billion, and outward FDI stock was $7.5 billion.[1392] In 2012, Japan was the largest source of Vietnam's inward FDI, followed by Malaysia and Singapore, and Cambodia was the largest destination of Vietnam's outward FDI.[1393]

FDI with the United States: In 2014, U.S. investors held $1.5 billion of FDI stock in Vietnam, equal to 0.03 percent of U.S. total outward FDI stock.[1394]

[1391] No country-specific data are available for Vietnam's trade in services, and U.S. statistical agencies do not publish cross-border services trade data specific to Vietnam. Source: ASEAN, WGSITS, ASEANstats database (accessed October 31, 2015).
[1392] UNCTAD, FDI/TNC database, "Web Table 3. FDI Inward Stock, by Region and Economy, 1990–2014" and "Web Table 4. FDI Outward Stock, by Region and Economy, 1990–2014" (accessed December 18, 2015).
[1393] The latest country-specific FDI data for Vietnam are for 2012. Source: UNCTAD, FDI/TNC database.
[1394] USDOC, BEA, International Transactions Account database, "U.S. Direct Investment Position Abroad on a Historical-cost Basis" (accessed December 28, 2015).

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U.S. Department of Commerce (USDOC), Bureau of Energy Analysis (BEA), International Transactions Account database, "Table 2.2 U.S. Trade in Services, by Type of Services and by Country or affiliation." October 15, 2015.

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Appendix G
Quantitative Analysis of the Effect of Liberalization on Cross-border Trade and Investment

For an accessible version of Appendix G, click here.

Introduction

The discussion that follows focuses on the quantitative analysis in this report—the computable general equilibrium (CGE) analysis presented in chapter 2 and the industry estimates presented in chapters 3, 4, and 5. This appendix details the procedures used to adapt the standard Global Trade Analysis Project (GTAP) model to enable the Commission to assess the likely effects of TPP. The basic features of the GTAP model are introduced, along with a discussion on adjustments made to the standard database, the development of the baseline, and the various analyses incorporating the different TPP provisions quantified in the model, including the liberalizations in tariffs, certain nontariff measures, and investment restrictions.

The GTAP Model

The GTAP project has two main components. One is a documented global database on international trade, economy-wide inter-industry relationships, and national income accounts (the GTAP database). The other is a standard modeling framework to organize and analyze the data (the GTAP model). The modeling framework allows comparisons of the global economy in two environments: one in which the base values of policy instruments such as tariffs, tariff-rate quotas (TRQs), or export restrictions are unchanged, and one in which these measures are changed, or "shocked," to reflect the policies that are being studied. A change in policy makes itself felt throughout the economies depicted in the model. We begin with the latest release of the GTAP database, version 9, and start with the GTAP model and assumptions as discussed in the USITC's analysis of the U.S.–Korea free trade agreement.[1395]

Results from the GTAP model are based on established global trade patterns. This means that the model is unable to estimate changes in trade in commodities that historically have not been traded. That is to say, if a particular commodity is not traded between two economies, no model simulation will bring about such a trade flow under any circumstance. Furthermore, patterns of trade may exist for such reasons as the distance between countries, the presence or absence of transport infrastructure, or cultural preferences, which are all imperfectly captured by the model. The GTAP model does not directly account for historical or cultural factors as determinants of trade patterns. The model assumes that these factors are unaffected by the trade policy change.

In the GTAP model, domestic products and imports are consumed by firms, governments, and households. Product markets are assumed to be perfectly competitive (implying zero economic

[1395] See USITC, *U.S.-Korea Free Trade Agreement,* 2007, Appendix F.

profit for the firm).[1396] In the model, imports are imperfect substitutes for domestic products (i.e., consumers are aware of the source of the products and may distinguish between them based on the foreign or domestic origin), and sectoral production is determined by global demand and supply.

The Dynamic GTAP Model

The CGE simulation model used in this report can also be seen as consisting of two parts. The first part is the standard static CGE model, as discussed in the previous section. The model simulates changes, assuming that the economy-wide supply of labor responds to changes in the real wage rate while the supplies of all other primary factors are fixed. The static model by design does not produce information about the speed with which changes occur or about what happens to various dimensions of the economies in the meantime. Rather, the simulation finds the new equilibrium of prices and quantities within the model that result in response to the change in policy.

The second part of the CGE model provides for dynamic linkages and simulates changes over time. To simulate changes in the structure of the U.S. economy over time, the simulation framework incorporates physical capital accumulation for the economy as a whole. Capital accumulates each period as new investment, less depreciation on existing assets, adds to the capital stock.

The level of new capital goods or investment is determined by the static model. The Commission uses a “baseline” which describes the expected evolution of the world economy in the absence of the TPP Agreement. The baseline runs from 2017 to 2047 in five-year steps and incorporates projections for labor availability, growth rates for population and gross domestic product (GDP), and trade policy changes that would take place in the absence of TPP—for example, the tariff changes provided in the recently signed Japan-Australia Economic Partnership Agreement. Population and labor availability are exogenous variables in the CGE model. Thus these variables are shocked in every period, according to the projections. GDP, however, is normally an endogenous variable in the CGE model. To target GDP, the closure of the model is changed, with GDP growth made exogenous, and an economy-wide technology parameter allowed to adjust as needed. The baseline incorporates projections from the International Monetary Fund (IMF) and Organisation for Economic Co-operation and Development (OECD) for labor, population, and GDP growth rates. Table G.1 shows forecast

[1396] Under perfect competition entering a market is costless which drives the product price down to average cost and reduces profits to zero in the sense that every productive factor receives a wage or a return that is commensurate to its productivity.

growth in real GDP, labor force, and population adopted in the baseline; table G.2 shows selected results from incorporating these forecasts.

Table G.1: Inputs to projected U.S. baseline: Five-year cumulative growth rates for U.S. real GDP, labor force, and population, percent

Time period	Real GDP	Labor force	Population
2017–22	13.64	2.37	3.55
2022–27	12.60	2.44	3.29
2027–32	11.91	2.65	2.88
2032–37	10.64	2.96	2.48
2037–42	9.45	3.01	2.17
2042–47	8.56	2.78	1.96

Source: USITC estimates.

Table G.2: Selected indicators from projected U.S. baseline: Five-year cumulative growth rates for U.S. capital stock, real private consumption, real exports, and real imports, percent

Time period	End of period capital stock	Real private consumption	Real exports of goods and services	Real imports of goods and services
2017-22	8.37	9.39	10.35	12.56
2022-27	13.82	11.48	9.12	11.05
2027-32	15.04	10.89	9.21	10.78
2032-37	15.41	10.00	8.54	10.03
2037-42	15.02	8.60	7.94	9.95
2042-47	14.80	7.19	7.45	10.27

Source: USITC estimates.

The simulation of the TPP Agreement then generates a “policy” line. The policy simulations include the TPP-related policy changes and several variables used in the baseline simulations, including population and labor growth and the economy-wide technology parameter. For a particular variable, e.g., total U.S. exports, the distance between the “policy” line and the “baseline” is the effect of the TPP Agreement. The TPP shocks that we simulate in this report start in the year 2017. That is, we assume 2017 as the year of entry into force and the first year that the policy line deviates from the baseline.

Updating and Modifying the GTAP Database

As noted earlier, for the purpose of the TPP analysis, the Commission has updated and modified the standard GTAP database to reflect current U.S. and global economic conditions, and to project future U.S. and global economic conditions both under TPP and in the absence of TPP.

The current standard version of the GTAP database (version 9) contains 140 regions and 57 sectors. The standard GTAP data are based on the year 2011—that is, figures for trade flows, trade barriers, and other data refer to the world in that year.

In addition to the data on bilateral trade found in each of the sectors in the model, data are incorporated on the domestic production and use of output in each sector (including its use in the production of other commodities and services); the supply and use of land, labor, and capital; population; and GDP. The database also contains information on tariffs, some nontariff barriers, and other taxes. An additional component of the data is a set of parameters which, in the context of the model's equations, determine economic behavior. These are principally a set of elasticity values that determine, among other things, the extent to which imports and domestically produced goods are substitutes for one another.

TPP Model Regions and Sectors

The Commission's analysis focuses on U.S. trade with TPP members and other important trading partners to the United States. Table G.3 shows the countries and regions specified in the model. They include the 12 TPP parties, China, the European Union (EU), Hong Kong, Indonesia, South Korea, Thailand, and the rest of the world as a region.

Table G.3: Model regions

TPP parties		Other countries/regions
United States	Australia	China
Canada	New Zealand	EU
Mexico	Malaysia	Hong Kong
Chile	Singapore	Indonesia
Peru	Vietnam	South Korea
Japan	Brunei	Thailand
		Rest of the world

Source: Compiled by USITC staff.

Also, the GTAP database's 57 sector aggregation was modified, making it possible to focus on particular industries of interest. In total, 56 industry sectors are specified in the model, including both goods and services. Table G.4 lists all the model sectors.

Table G.4: Model goods and services sectors

Model sectors		
Rice	Poultry meat products	Auto parts and trailers
Wheat	Soybean oil	Other transportation equipment
Other grains	Soybean meal	Electronic equipment
Corn grain	Dairy products	Instruments and medical devices
Fresh fruit, vegetables, and nuts	Sugar, sweeteners, and SCPs	Toys, sporting goods, and other manufacturers
Soybeans	Processed foods	Electricity
Other oil seeds	Chemicals	Gas manufacture, distribution
All other agriculture	Beverages and tobacco products	Water
Cattle, sheep, goats, and horses	Textiles	Construction
Hides and skins	Wearing apparel	Wholesale and retail trade
Forestry	Leather products	Transportation, logistics, travel and tourism
Seafood	Footwear	Communications

Model sectors		
Coal	Wood products	Financial services n.e.c.
Oil	Paper products, publishing	Insurance
Gas	Petroleum, coal products	Business services n.e.c.
Minerals and minerals products n.e.c.	Machinery and equipment	Recreational and other services
Beef meat	Metal products n.e.c.	Public administration, defense, education, health
Other meats	Titanium downstream products	Dwellings
Pork meat products	Passenger vehicles	

Source: Compiled by USITC staff.
Note: N.e.c. = not elsewhere classified; SCPs = sugar-containing products.

Updating the Database

For the purpose of the present study, a number of updates have been made to benchmark data on trade flows and GDP growth. The model is then projected to 2017 using estimates of regional and global GDP growth. Data are drawn from the U.S. Department of Commerce (U.S. imports and exports), the IMF's *World Economic Outlook* (GDP projections). Observed GDP growth rates for all the regions of the model are targeted using these data, as are population growth rates. Trade flows within the model are adjusted to reflect key observable trade in the real world. The strategy employed is to match disaggregated trade flows that are critical to the results of the policy simulation. Once the database is updated to align with key observed 2014 data, the 2014 database is then projected forward to 2017. This is accomplished by incorporating real GDP and population growth projections from the sources listed above.

Key Assumptions

The Commission's simulation results depend not only on the GTAP model and parameters, but also on a number of assumptions made to align the baseline and policy simulations with the Commission's interpretation of the Agreement and with economic forecasts necessary to establish the baseline. The Commission's simulations do not currently incorporate any adjustment costs. This assumption means that the sectoral allocation of labor may change without any additional costs to workers or firms.

To align the model with anticipated demographic changes in the United States and elsewhere in the world, population growth, labor force, and labor force participation are based on annual data and forecasts through 2050 published by the International Labour Organization (ILO). Forecast growth in real GDP were obtained from the IMF's World Economic Outlook databases and the OECD's long-term baseline projections.

In addition to labor force projections, participation rates were modeled to respond to changes in real wages. As real wages (wages adjusted for the price index for private consumption) rise, the labor supply expands accordingly. The real labor supply elasticities for both skilled and unskilled labor are 0.4 for the United States (published by the CBO) and other developed economies, while 0.44 is used for other economies (based on a review of the literature).

The ratio of the U.S trade deficit (that is, exports less imports) relative to GDP was kept fixed within the model by allowing changes in the U.S. savings rate to fluctuate.[1397]

In addition to the specification and modeling of provisions regarding foreign direct investment and NTMs affecting traded services, discussed later in this appendix, the following assumptions were also made. Trade responses for U.S. exports of dairy products to Canada and Japan follow expansions in the corresponding quota levels, implying that the United States will take full advantage of future quota expansions. U.S. imports of cheese from New Zealand were modeled not to expand after U.S. tariff changes because the Commission has determined that U.S. and New Zealand cheese are not comparable products. In sugar, U.S. exports and imports follow expansions in the corresponding quota levels.

U.S. beef meat exports to Japan were modeled to reflect the preference of Japanese consumers for Japanese beef meat. U.S. exports of meat products to Malaysia were modeled not to expand because of limited available expansion capacity for Malaysian-approved Halal meat plants in the United States. U.S. poultry product exports to and imports from Canada were modeled not to respond significantly to Canadian tariff changes because U.S. exports to Canada are essentially duty free (due to duty drawbacks) and these products are reexported to the United States after being processed in Canada.

U.S. trade responses to tariff changes in textiles, apparel, leather products, and footwear were modeled to reflect existing supply chain relationships and capacity constraints.

The existing regime of duty drawback in Vietnam generally reduces the effect of duty reductions and removals. Vietnamese trade was modeled to reflect the influence of TPP rules of origin. For Vietnam to take advantage of reduced tariffs on its products, Vietnam was modeled to prefer trading more with TPP economies and less with non-TPP economies.

For the sectors including instruments and medical devices; other transportation equipment; and other machinery and equipment, U.S. exports to non-TPP countries were modeled to reflect modest changes due to the competitive advantages of U.S. exporters of those products.[1398]

[1397] While the U.S. trade balance has fluctuated significantly since 1980, its correlation with U.S. GDP is about 0.9, during the same period, which suggests a stable relationship between the trade balance and GDP.
[1398] Non-TPP importers of these U.S. products were assumed to consider effective prices which not only reflect changes in market prices but also reflect the quality and technical characteristics of products.

Alternative Model Assumptions

Certain assumptions and policy changes to the model discussed above were introduced based on industry expertise. These inputs include the degree of substitution between domestic and foreign varieties of certain goods and the expected restrictiveness of select TRQs, among other factors. Economy-wide effects excluding this information are shown in table G.5 below.

Table G.5: Aggregate effects of TPP liberalization under alternative model assumptions

Measure	2032		2047	
	Billion $	Percent	Billion $	Percent
Real income	60.5	0.25	88.3	0.30
Real GDP	44.1	0.16	68.8	0.18
Employment, FTE thousand	128.8	0.07	176.0	0.09
Total exports	27.8	1.0		
Agriculture and food	11.0	4.1		
Manufacturing, natural resources, and energy	12.0	0.7		
Services	4.9	0.6		
Total imports	51.8	1.2		
Agriculture and food	5.3	3.6		
Manufacturing, natural resources, and energy	39.5	1.1		
Services	6.9	1.2		

Source: USITC estimates.

Incorporating Market Access Provisions

In order to understand the incremental effects of the market access provisions under TPP (Chapter 2 of the TPP text), two databases of tariffs from 2017 through 2046 were constructed to show the evolution of tariffs absent and including TPP.

Tariffs and TRQs in the Absence of TPP

To calculate TPP's potential effects on trade, the model was updated with most-favored-nation (MFN) tariff rates[1399] from TPP member countries' 2014 tariff schedules, and with current and future preferential rates given to other TPP members under pre-TPP free trade agreements (FTAs), such as the North American Free Trade Agreement, or NAFTA. These data were gathered from national authorities (e.g., the Commission, Japan Customs, Canada Border Services Agency, etc.) at the national tariff line level, and were processed by Market Analysis and Research, International Trade Centre UNCTAD/WTO. The MFN rates were assumed to remain unchanged throughout the simulation horizon. Rates for existing FTAs were

[1399] Also referred to as normal trade relations (NTR) rates.

extrapolated after their respective full implementation.[1400] Where rates were expressed as specific or compound rates, ad valorem equivalents were calculated using the WTO-World Tariff Profiles methodology.[1401] For lines subject to TRQs, information about the fill rate[1402] was used to determine whether the rate to be charged against imports for that product would take the in-quota rate or the out-of-quota rate.

Data were aggregated in two steps. First, to fully account for existing preferences, if multiple import programs applied to the same tariff line, rates were selected for each tariff line by choosing the lowest rate given to imports under all existing import programs (comparing MFN with existing FTA rates, if any). National tariff lines were then aggregated by simple averages to the Harmonized System (HS) 6-digit level, the level at which international tariff rates are published. Finally, tariff rates were aggregated to the sector levels found in the model using three-year averages of bilateral trade as weights. The trade data came from three different sources: Trade Map, IDB, and Comtrade.[1403]

Tariffs and TRQs under TPP

TPP tariff schedules were processed according to the text of the agreement. National tariff schedules in the agreement's text were first processed to show tariff levels throughout the implementation of the agreement. This information was aggregated by simple averages to the HS 6-digit level; information about TRQs and specific tariffs were provided by Market Analysis and Research, International Trade Centre UNCTAD/WTO.[1404] Tariff data under the TPP were replaced with tariff data without the TPP in situations where tariffs under the TPP would be higher than other existing FTA rates.[1405] Finally, the data were aggregated in the same manner as the database without TPP tariff rates.

Rules of Origin

The Commission simulations include modeling of provisions regarding rules of origin for Vietnamese exports of textiles and apparel. In particular, the simulations are run under the

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[1400] For example, the Japan-Australia Free Trade Agreement will be fully implemented in 2031. 2031 Japan-Australia tariff rates are then used after 2031 in the model.
[1401] World Trade Organization (WTO), International Trade Centre (ITC), and United Nations Conference on Trade and Development (UNCTAD), "Methodology for the Estimation of Non-Ad Valorem Tariffs," 2006, 179.
[1402] A fill rate is the rate at which a country's importers use up the quota allocated to them under a TRQ.
[1403] International Trade Center, Trade Map; WTO, Integrated Data Base (IDB); UN Statistical Division, Comtrade database.
[1404] The conventions described above were used in the conversion of specific and compound tariffs to ad-valorem equivalents and the treatment of lines subject to TRQs
[1405] For example, in year 5 of the agreement, the rate on a certain product would be 2 percent under the TPP text. But under a pre-existing free-trade agreement, the rate for that same product would be duty-free. In this case, the rate under the TPP text would be replaced with 0.

constraint that Vietnamese exporters may expand their exports under reduced tariffs only if they increase their use of originating intermediate inputs and reduce their use of non-originating intermediate inputs.

Incorporating Services Liberalization

The TPP Agreement contains market access provisions that liberalize cross-border trade in services with TPP partners, and national treatment provisions that enable firms to establish commercial presence in TPP partner markets more easily.

Market-access provisions for services are found in TPP's Chapter 10, Cross-Border Trade in Services; Chapter 11, Financial Services; and to a limited extent in Chapter 13, Telecommunication Services. National treatment provisions related to services firms established abroad are included in TPP's Chapter 9, Investment, and in both the Financial Services and the Telecommunications chapters. In addition, provisions on MFN treatment, restrictions on local-presence requirements, and obligations regarding transfers would prevent discrimination against foreign services suppliers. Where TPP partners wish to retain certain nontariff measures in a particular sector, rather than committing to full liberalization in the sector, these are noted as nonconforming measures (NCMs) and are listed in Annexes I–III of the agreement.

This section describes the analysis conducted to assess the impact of the TPP Agreement on cross-border services trade. The effects of TPP on services trade that is provided via commercial presence (mode 3) is considered in our analysis on the effects of the agreement on foreign affiliate sales, described later in this appendix.

Estimated Trade Costs for Cross-border Services Trade

To analyze the effects of a possible liberalization in cross-border services trade under TPP, it is necessary to understand the level of existing barriers by country and services sector. One way to summarize these barriers in a country is to estimate their effects in raising the costs to import such services. These costs can be expressed in AVEs (i.e., as a rate equal to a percentage of a traded service's value) and are often referred to as "tariff equivalents." The tariff equivalents used in this analysis are taken from the empirical literature on services barriers.[1406] These are derived from a gravity approach for each services sector in the GTAP database.

For each services sector, the estimating equation in this analysis takes the form

$$x_{ij} = c + \delta y_j + \alpha_{ij}\mathrm{dist}_{ij} + \beta_{ij} D_{ij} + \gamma_i + \gamma_j + \varepsilon_{ij}$$

where x_{ij} represents the log of exports from country i to partner j. Trade costs other than regulations between i and j are proxied by dist_{ij}, the log of their bilateral distance. The vector D_{ij} contains bilateral trade determinants common in the gravity literature, including common language, engagement in a FTA, etc., controlled by indicator variables.

Exporter and importer fixed effects (γ_i and γ_j respectively) are included in the model to account for the usual multilateral resistance terms. Without longitudinal data, measures of output and expenditure collapse in the country fixed effects. To disentangle the importer expenditure from the degree of restrictiveness of trade, exports are normalized by the potential size of the market, and the coefficient for y_j is fixed.[1407] The last term in the equation, ε_{ij}, represents an error term.

The estimation of the gravity equation above is done using the latest GTAP database released in 2015, which provides data for bilateral trade in services by broad services sectors for the year 2011.[1408] This estimation is conducted for the following sectors: construction (cns); communication (cmn); trade (trd); finance (ofi); other services (osg), comprising education, health, defense, and public administration; business (obs); water transport (wtp); air transport (atp); other transport (otp); and insurance (isr).

Derivation of Tariff Equivalents

Tariff equivalents t_j are obtained from the estimated gravity model. The relationship used to derive these is:

$$\ln\left(1 + t_j\right)^{1-\sigma} = \gamma_j - \gamma_{j*}$$

[1406] In particular, these estimates—often referred to as the CEPII tariff equivalents—are based on Fontagné, Guillin, and Mitaritonna, "Estimation of Tariff Equivalents," 2011, as updated in Fontagné, Mitaritonna, and Signoret, "Estimated Tariff Equivalents," 2016.
[1407] Theory suggests an elasticity of 1, although it is often found to vary from that value. Based on past experience, the Commission constrains this parameter to 0.8, but this choice does not affect the results. This treatment essentially divides the left-hand side (log exports) by the GDP of the importer.
[1408] Details of the estimations are in Fontagné, Mitaritonna, and Signoret, "Estimated Tariff Equivalents," 2016.

which relies on the estimated fixed effect γ_j for importer country j, relative to γ_{j*}, the fixed effect for a “benchmark” importing country or the country with the largest fixed effect (e.g., Luxembourg in the estimation for communication services).[1409] The specific values of the tariff equivalents would also depend on the elasticity of substitution σ, which is not estimated in the model, but needs to be assumed. The empirical literature on gravity suggests that this elasticity could range in values from 5 to 10.[1410] An intermediate value of 8 is assumed. A higher σ provides lower AVEs, and vice versa. The relative ranking among the different countries, however, is not sensitive to the assumed value of the elasticity of substitution.

Table G.6: Estimated ad valorem equivalent of trade costs by party and services sector, percent, 2011

	cmn	cns	isr	obs	ofi	osg	trd	otp	atp	wtp
Canada	37.0	49.4	36.6	29.0	43.9	41.3	36.5	20.9	20.9	39.4
Mexico	68.4	85.9	16.7	85.2	79.1	47.7	45.2	32.7	32.7	88.2
Chile	45.2	69.3	42.4	45.9	50.4	45.5	36.1	18.2	18.2	17.7
Peru	48.2	38.8	47.2	46.0	76.4	50.6	59.5	36.8	36.8	64.1
Japan	60.2	23.8	51.4	35.5	61.4	54.1	35.1	24.1	24.1	30.1
Australia	44.8	71.2	53.8	39.2	63.1	45.0	42.2	21.5	21.5	45.7
New Zealand	32.3	32.1	42.4	28.8	49.4	37.6	30.9	14.5	14.5	27.4
Malaysia	20.1	8.3	34.5	18.7	46.7	34.7	33.5	14.4	14.4	27.0
Singapore	12.1	31.3	15.1	7.6	24.2	27.1	8.7	0.0	0.0	7.3
Vietnam	29.0	21.5	37.4	32.5	43.6	36.1	35.9	25.5	25.5	37.8
Brunei	49.2	16.1	56.7	31.0	60.3	21.9	31.4	20.6	20.6	32.8

Source: USITC calculation based on Fontagné, Mitaritonna, and Signoret, “Estimated Tariff Equivalents,” 2016.

TPP Liberalization

Services trade is liberalized in TPP through a number of different avenues. The three primary routes are (1) commitments to reduce or remove specific nontariff measures which had been reserved exceptions (NCMs) in previous trade agreements; (2) adoption of a negative list approach (discussed below) to commitments; and (3) the adoption of broad disciplines on ensuring the ability to transmit data across borders and on prohibiting the introduction of data-localization measures (requirements that data be stored and/or processed only in-country). Other parts of TPP also introduce helpful disciplines for services trade—intellectual property protections, rules about state-owned enterprises, government procurement rules, and commitments to improve regulatory coherence, for example—but the impact of these taken

[1409] See Fontagné, Guillin, and Mitaritonna, “Estimation of Tariff Equivalents,” 2011, for details on the derivation.
[1410] See Anderson and van Wincoop, “Trade Costs,” 2004.

together is judged to be less important than that of the three primary factors listed above.[1411] The methodology adopted to incorporate the TPP effects of these three factors is outlined below.

A TPP party may commit to a more liberal services trade regime than it did under the General Agreement on Trade in Services or in prior FTAs. For instance, the party may remove an item from its list of NCMs, or propose an NCM which is not as wide ranging as it was previously. To represent these changes quantitatively, the World Bank's Services Trade Restrictiveness Index (STRI) for the country-sector-mode combination was rescored to reflect the new policy setting committed to in TPP.[1412] The change in the estimated STRI from pre-TPP to TPP policy settings is an input to the model.

TPP also obliges countries to accept cross-border services trade obligations on a "negative list" basis, meaning that the signatories promise to provide full access to their services markets unless they specifically list an exception, or NCM reservation. This implies that each TPP partner is making commitments to open trade for the full range of services, except those specifically listed in the NCM annexes. Any new services introduced in the future are also included under TPP's disciplines. As a result, the negative list approach is likely to be more important to trade in sectors where there are ongoing high levels of innovation. The GTAP services sectors were ranked according to their digital intensity and digital usage in business processes, in order to capture differences in the degree of innovation and likely introduction of new digital services. In the model, it was assumed that the adoption of a negative list approach would reduce barriers to services trade to a greater extent in services sectors which are more digitally intense, as these are likely to be more innovative.[1413]

One particular horizontal issue addressed in TPP has gained substantial public attention: the treatment of e-commerce, and specifically cross-border data flows.[1414] The ability to manage information efficiently is a critical requirement to keeping down costs of supply in many service sectors. In the model, it was assumed that barriers to services trade were reduced as a result of the helpful disciplines in the TPP E-Commerce chapter. Given that financial institutions and other suppliers of cross-border financial services are excluded from these disciplines, however,

[1411] Several hearing witnesses, industry representatives, and industry groups such as the Coalition of Services Industries have indicated that the three factors listed—reduced nonconforming measures (NCMs), negative list treatment, and e-commerce disciplines—explain the bulk of the likely impact of TPP. NCMs are explained later in this section.
[1412] Baseline STRI levels are those published by the World Bank, adjusted by USITC staff for commitments in existing U.S. FTAs. The policy simulation considers changes in baseline STRIs due to commitments in TPP. See Borchert, Gootiiz, and Mattoo, "Guide to the Services Trade Restrictiveness Database," 2012.
[1413] Manyika et al., *Digital America: The Tale of the Haves*, December 2015, 89.
[1414] USITC, hearing transcript, January 14, 2016, 4–6 (testimony of Peter Allgeier, Coalition of Services Industries).

it is assumed in the model that the two GTAP financial sectors (ofi and isr) do not benefit from lower barriers to trade from this factor.

Taking into account the liberalization observed in TPP as a result of these three factors, we estimated a combined percentage reduction in observed barriers to U.S. services exports to the other 11 TPP partners. These were expressed as percentage reductions to AVEs reported above.[1415] We assumed equal weights for the contribution of each of the three factors to the overall reduction in each AVE, and capped their possible combined contribution at 90 percent. This method expresses changes in barriers to services trade from TPP in terms of relative price changes, which can then be fed into the CGE model, along with assumptions for liberalization in tariffs, quotas, and foreign direct investment (FDI) barriers, to estimate overall income and trade effects.

Table G.7: Percent change in AVEs due to the combined effects of STRI rescoring for TPP, the negative list approach, and TPP e-commerce provisions

	cns	trd	otp+atp	wtp	cmn	ofi	isr	obs	osg
Canada	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-16.5	-7.5
Mexico	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-26.0	-7.5
Chile	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-16.5	-7.5
Peru	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-16.5	-7.5
Japan	0.0	-24.8	-0.5	-9.0	-45.8	-24.0	-24.0	-40.5	-19.5
Australia	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-16.5	-7.5
New Zealand	0.0	-24.8	-0.5	-9.0	-45.8	-24.0	-43.5	-40.5	-19.5
Malaysia	0.0	-24.8	-0.5	-9.0	-45.8	-24.0	-24.0	-50.0	-19.5
Singapore	0.0	-9.8	-0.2	-3.0	-18.8	0.0	0.0	-26.0	-7.5
Vietnam	0.0	-24.8	-0.5	-9.0	-45.8	-24.0	-24.0	-40.5	-19.5
Brunei	0.0	-24.8	-0.5	-9.0	-45.8	-24.0	-24.0	-40.5	-19.5

Source: USITC calculations.

Incorporating Investment Provisions

The TPP Agreement would impact the U.S. economy not only by lowering barriers to cross-border trade, but also by reducing barriers to foreign investment. This section describes Commission analysis integrating these foreign investment effects into the dynamic CGE model used to estimate TPP's effects.

While economists have long recognized the importance of investment to international trade,[1416] modeling the investment impact of trade agreements has been difficult. This analysis builds on a model of international investment used in a recent Commission report on trade and

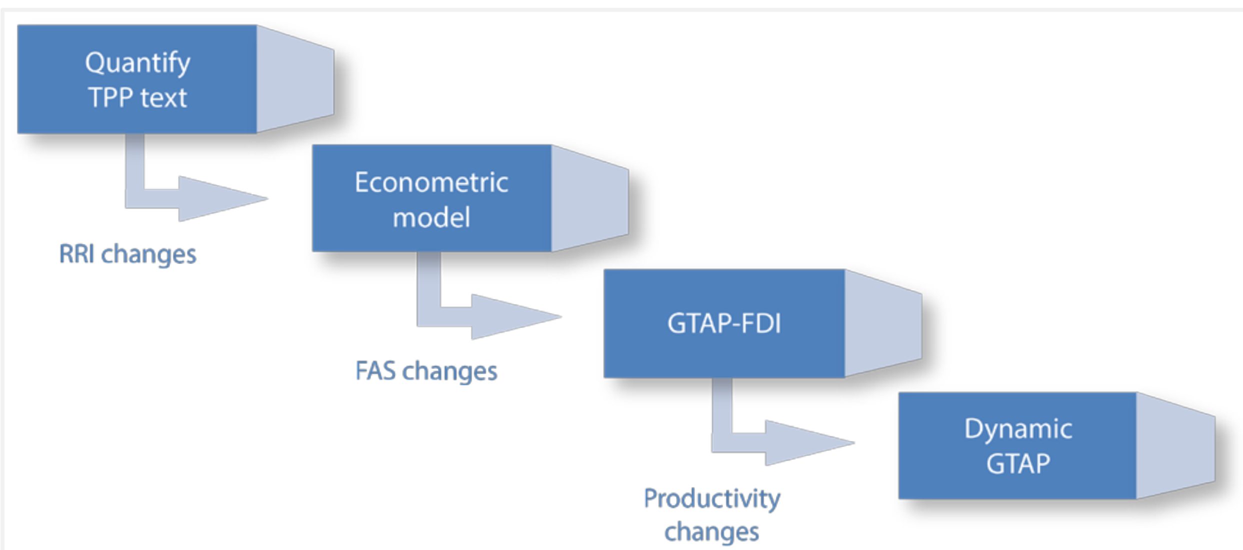
[1415] Fontagné, Mitaritonna, and Signoret, "Estimated Tariff Equivalents," 2016.
[1416] For example, see Cecchini, Catinat, and Jacquemin, *The European Challenge*, 1988.

investment barriers in India.[1417] The current analysis of TPP uses a similar methodology and data, although the changes in investment barriers (or "shocks") were constructed from a careful consideration of the specific provisions and exclusions in the TPP Agreement.[1418] This investment model is not a dynamic model, and key elements of the static model are transferred to the dynamic CGE model used to assess the agreement.

Methodology

The overall goal of this analysis is to calculate the impact of TPP's investment provisions on economic variables (welfare, employment, etc.) in the United States. However, the Commission does not have a single model capable of doing this, so this analysis goes from the starting point of the TPP text to changes in welfare and productivity in several steps, using an output from one model as an input into the next. The first step is to calculate how much TPP would change investment restrictions, as measured by the OECD's FDI regulatory restrictiveness index (RRI). Next, the analysis calculates how changes in RRI would affect foreign affiliate sales (FAS) for TPP host countries and foreign affiliate owner countries. Then the analysis calculates how that change in FAS would affect productivity in each sector of each TPP country. Finally, the analysis calculates how those productivity shocks would affect macroeconomic variables in the United States. While the investment model is static, this final step uses the dynamic CGE model.

Figure G.1: Steps in the Commission's methodology for modeling investment provisions



Source: Compiled by USITC.

[1417] USITC, *Trade, Investment, and Industrial Policies in India,* 2014. Previous Commission studies on prospective FTAs have not included a quantitative assessment of provisions that reduced barriers to FDI.
[1418] USITC, *Trade, Investment, and Industrial Policies in India,* 2014, considers the effects of a hypothetical full removal of FDI restrictions on foreign affiliates in India.

Quantifying Changes in Investment Restrictions

The first step is to calculate how much TPP will affect investment restrictions in each TPP member country. This analysis' measure of investment restrictiveness is the OECD's FDI Regulatory Restrictiveness Index (RRI).[1419] The RRI is a measure of the statutory restrictions on FDI in a particular sector in a particular host country. It is calculated by comparing the host country's laws concerning FDI in a particular sector to a scoresheet developed by the OECD, with a given restriction on FDI worth a given number of points.[1420] The RRI database covers 42 sectors and subsectors in 31 countries in 2014. Table G.8 lists the average RRI for TPP countries. Baseline (pre-TPP) investment restrictions for each sector of TPP countries are measured using the 2014 RRI database.

Table G.8: Investment restrictions (average RRI) in TPP countries

Country	RRI in 2014	RRI after TPP	Change
Australia	0.127	0.112	-0.015
Brunei	0.150	0.130	-0.021
Canada	0.173	0.156	-0.017
Chile	0.057	0.057	0.000
Japan	0.052	0.051	-0.001
Malaysia	0.211	0.139	-0.072
Mexico	0.193	0.170	-0.023
New Zealand	0.240	0.161	-0.079
Peru	0.077	0.070	-0.007
Singapore	0.068	0.053	-0.015
U.S.	0.089	0.074	-0.015
Vietnam	0.150	0.141	-0.010

Source: OECD's FDI Regulatory Restrictiveness Index (RRI) and USITC calculations.
Notes: RRI values are imputed for Brunei, Singapore, and Vietnam.

While RRI data are available for most TPP countries, they are not available for Singapore, Brunei, or Vietnam. Their RRI values are imputed using the values of similar countries for which RRI data are available. RRI values for sectors in Brunei and Vietnam are imputed using the average RRI value of that sector for all non-OECD member countries in the database. For Singapore, this process is repeated, except that the average of all OECD member countries is used instead.

[1419] Available at http://www.oecd.org/investment/fdiindex.htm. For a description of their methodology, see Kalinova, Palerm, and Thomsen, "OECD 's FDI Restrictiveness Index," 2010.
[1420] Note that the RRI is a measure of the regulatory restrictions on FDI, not of the regulatory restrictions that apply to all firms. For example, health and safety regulation that apply to all firms do not affect RRI.

An additional drawback worth mentioning is that the RRI is a partial measure of the investment climate, not a comprehensive one. It does not include all laws that restrict investment. For example, cultural requirements for TV broadcasting do not factor into RRI.

RRI Changes under TPP

The next step is to calculate how much TPP would change a host country's RRI in a particular sector. In TPP's investment chapter, TPP member countries agree not to restrict investment by investors of other TPP countries in certain ways. However, Annexes I, II, and III contain NCMs which specify that TPP's investment chapter does not apply to certain sectors in certain TPP host countries.

As a result, the Commission splits the calculation of how much TPP will change RRIs into two parts. First, it identified the host country-sectors which have an NCM that partially or fully exempts the country sector from the TPP Investment chapter. Then, for sectors that are not fully exempt, it calculated how much their RRI would fall due to TPP (see Table G.8). Countries, may, of course, reduce their RRI restrictions by more than is required under TPP. But when the Commission's analysis calculated the level of reform induced by TPP, it assumed that countries would liberalize only the minimum amount required.

The effect of NCMs is to exempt certain sectors from certain provisions of the TPP Investment chapter. In order to calculate the effect of NCMs on RRI, this analysis divided NCMs into two groups: "high" NCMs and "low" NCMs. High NCMs are NCMs that exempt all or almost all of a sector from all or almost all of the TPP Investment chapter. For host country sectors with high NCMs, this analysis assumes that TPP would not change their RRI. Low NCMs are those that exempt only a small part of the sector or exempt a sector only from a small amount of the TPP Investment chapter. For country sectors with low NCMs, the Commission assumes that the RRI would change as much as if there were no NCMs for that country sector at all.[1421] Although there are many NCMs that are clearly high, for others the assignment was more subjective.

Next, for sectors not exempted from the TPP Investment chapter by NCMs, the effect of the chapter on RRI was calculated. The TPP Investment chapter's provisions forbid certain types of investment restrictions, but allow other types. The RRI is scored based on which investment restrictions a country has, out of a specific list of restrictions. TPP forbids all restrictions that compose the RRI except one: restrictions on key foreign personnel. Such restrictions are worth a maximum of 0.1 points of RRI.[1422] As a result, for country sectors with a pre-TPP RRI of above 0.1, TPP is assumed to reduce their RRI to 0.1. Country sectors with a pre-TPP RRI of 0.1 or below do not change their RRI.

[1421] This assumption means that the true change in RRI is smaller than what is used in the model.
[1422] Kalinova, Palerm, and Thomsen, "OECD's FDI Restrictiveness Index," 2010, 11.

Table G.9 provides a full list of the projected declines in RRI by host country and sector. For ease of presentation in the table, the change in the index has been multiplied by 100, so that a reported reduction of 6.0 in the table is a change of –0.06 in the RRI. For instance, –0.06 is the RRI value for the mining and quarrying sector in Canada, where no high NCMs were identified and the initial RRI would fall from 0.16 to 0.10 due to TPP.

Table G.9: Decrease in RRI from TPP (times 100), by country and sector

Sector	AUS	BRN	CAN	CHL	JPN	MYS	MEX	NZL	PER	SGP	USA	VNM
Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forestry	0.0	0.0	0.0	0.0	0.0	73.0	0.0	10.0	0.0	0.0	0.0	0.0
Fisheries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.8	0.0	0.0
Mining & quarrying (incl. oil extr.)	0.0	0.0	6.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Manufacturing	0.0	0.0	1.0	0.0	0.0	0.0	0.3	10.0	0.0	0.0	0.0	0.0
Food and other	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Oil refining & chemicals	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Metals, machinery, & other minerals	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Electric, electronics, & instruments	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Transport equipment	0.0	0.0	1.0	0.0	0.0	0.0	1.3	10.0	0.0	0.0	0.0	0.0
Electricity	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	2.1	14.7	0.0
Electricity generation	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	2.6	29.3	0.0
Electricity distribution	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	1.5	0.0	0.0
Construction	0.0	4.2	1.0	0.0	0.0	15.0	0.0	10.0	0.0	0.0	0.0	2.1
Services	0.3	2.2	2.4	0.1	0.2	5.0	4.4	7.3	1.5	0.8	1.8	0.9
Distribution	0.0	4.9	1.0	0.0	0.0	8.5	7.5	10.0	0.0	0.0	0.0	2.5
Wholesale	0.0	2.3	1.0	0.0	0.0	17.0	0.0	10.0	0.0	0.0	0.0	1.2
Retail	0.0	7.5	1.0	0.0	0.0	0.0	15.0	10.0	0.0	0.0	0.0	3.8
Transport	0.0	5.9	0.0	0.0	1.7	6.7	11.1	3.3	0.0	5.4	0.0	0.0
Surface	0.0	0.0	0.0	0.0	0.0	0.0	33.3	10.0	0.0	0.0	0.0	0.0
Maritime	0.0	17.8	0.0	0.0	5.0	20.0	0.0	0.0	0.0	16.2	0.0	0.0
Air	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hotels & restaurants	0.0	0.0	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Media	2.5	0.0	20.0	1.0	0.0	22.5	17.5	0.0	15.0	2.5	12.5	0.0
Radio & TV broadcasting	5.0	0.0	20.0	2.0	0.0	25.0	25.0	0.0	30.0	5.0	25.0	0.0
Other media	0.0	0.0	20.0	0.0	0.0	20.0	10.0	0.0	0.0	0.0	0.0	0.0
Communications	0.0	2.3	0.0	0.0	0.0	0.0	0.0	30.0	0.0	0.0	5.0	1.2
Fixed telecoms	0.0	3.4	0.0	0.0	0.0	0.0	0.0	30.0	0.0	0.0	0.0	1.7
Mobile telecoms	0.0	1.2	0.0	0.0	0.0	0.0	0.0	30.0	0.0	0.0	10.0	0.6
Banking	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Business services	0.0	4.0	1.0	0.0	0.0	3.8	0.0	10.0	0.0	0.0	0.0	3.4
Legal	0.0	0.0	1.0	0.0	0.0	15.0	0.0	10.0	0.0	0.0	0.0	5.4
Accounting & auditing	0.0	8.6	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	4.3
Architectural	0.0	5.2	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	2.6
Engineering	0.0	2.3	1.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	1.2
Real estate investment	30.0	19.3	0.0	0.0	0.0	20.0	6.7	10.0	0.0	6.4	0.0	9.6
Total FDI index	1.5	2.1	1.7	0.0	0.1	7.2	2.3	7.9	0.7	1.5	1.5	1.0

Source: USITC calculations.

Additionally, special treatment is given to certain host countries and sectors. Vietnam's Annex I NCMs contain an extremely large number of substantial partial exemptions for sectors that are not fully exempt from the investment chapter. In order to deal with this, the Commission's analysis halves the RRI change for Vietnam. The "TV and radio broadcasting" and "other media" sectors also had many low NCMs. In order to ensure that the RRI changes for these sectors were accurate, their post-TPP RRI includes the effect of both low and high NCM exemptions. Finally, there was no change to RRI in any agricultural sector, because of limited foreign investment in that sector and expected negligible effects based on industry information.

Variation in RRI Changes by Owner Country[1423]

The prior section's calculations show how TPP would change RRI in each host country sector. However, even in a particular host country sector, the change in RRI differs across owner countries. In particular, the United States already has FTAs with a number of TPP countries, and these FTAs already have investment provisions similar to those of TPP. As a result, while TPP would not change the ease of U.S. investment in these TPP countries, it would increase the ease of investment for other TPP members in the aforementioned host countries. However, the OECD provides a single RRI for each host country and sector, for all owner countries.

Table G.10: Change in RRI due to TPP, by owner and host country

Host	Investor			
	United States	**Other TPP parties with U.S. FTA**	**Other TPP parties without U.S. FTA**	**Rest of the world**
United States	–	No	Yes	No
Other TPP parties with U.S. FTA	No	Yes	Yes	No
Other TPP parties without U.S. FTA	Yes	Yes	Yes	No
Rest of the world	No	No	No	No

Source: Compiled by USITC staff.

Table G.10 shows how the Commission analysis deals with these issues.[1424] All countries can be divided into one of four groups: the United States, countries in TPP with which the United States already has an FTA, countries in TPP with which the United States does not already have an FTA, and countries not in TPP. For country pairs marked with a "No," TPP would lead to no change in RRI, either because it does not apply (for non-TPP countries) or because similar investment provisions are already in place due to preexisting FTAs. For pairs marked with a "Yes," TPP would lead to changes in RRI; the magnitude of the change in RRI for a particular host country sector would be as calculated in the preceding section.

[1423] The Owner Country is the home country of the owners of the investment.
[1424] This analysis only includes the effect of U.S. FTAs. Although other TPP countries have bilateral FTAs with each other, their investment provisions may not be the same as those of TPP.

Continuing the Canadian mining example, the United States already has an FTA with Canada, but Japan does not. As a result, TPP would cause RRI in Canadian mining and quarrying to fall from 0.16 to 0.10 for Japanese investors, but RRI would remain at 0.16 for U.S. investors.

Changes in Foreign Affiliate Sales

Next, the Commission examines how this change in RRI would affect foreign affiliate sales (FAS), which refer to sales by firms located in a domestic market but owned by foreign investors. This analysis uses a database compiled by Commission staff that describes the FAS of each sector, host country, and owner country triplet for 26 host and owner countries and 59 sectors.[1425] This analysis also uses econometric analysis from a previous Commission study to describe the relationship between RRI and FAS.[1426] The model in that study would predict an increase of 1.8 percent in FAS for each 0.01 decrease in the RRI, holding all else constant.[1427] This association is used to estimate FAS changes for each sector, host country, and owner country due to changes in the RRI. For example, as already discussed, the RRI change for mining and quarrying in Canada was –0.06, which means that FAS in this sector in Canada would increase by 11 percent for all non-US TPP owner countries. However, as explained above, FAS in that sector is not shocked for U.S. or non-TPP owners.

The Commission's econometric model relies on a number of assumptions. It assumes that the relationship between the restriction index and FAS is similar across sectors. It also assumes that the relationship holds for all host and owner countries. Unfortunately, more detailed data are not available to estimate econometric coefficients that would vary by country. Nonetheless, FAS effects will vary by host country, owner country, and sector, as the RRI varies by host country, owner country, and sector. Additionally, the econometric model for the effect of RRI on FAS does not control for tariff rates.[1428] To the extent that FAS are affected by tariffs and tariffs are excluded from the regression and correlated with the RRI, it is possible that the coefficient for the RRI variable may be biased down, and thus the effect of the RRI is overstated.[1429] Finally, the econometric model uses the variation in host country RRI that applied to all owner countries. However, a host country reform that only applied to TPP owner countries (and not to non-TPP owners) would increase the consumer price of FAS not owned by TPP countries relative to FAS that are owned by TPP countries. To the extent that the TPP-

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[1425] The original database has 140 host and owner countries and 57 sectors. In this simulation, countries are aggregated to 26 regions and sectors disaggregated to 59 sectors.
[1426] USITC, *Trade, Investment, and Industrial Policies in India,* 2014.
[1427] See the econometric estimates in appendix G, in USITC, *Trade, Investment, and Industrial Policies in India,* 2014.
[1428] Although tariffs are discussed here, an analogous caveat must also be made for nontariff barriers to importation, which have the same issues.
[1429] This would be case, for instance, of "tariff jumping" FDI. At least for the case of tariffs, many of the largest barriers are in the food and agriculture sector, where foreign investment is very low in any case.

owned and non-TPP-owned FAS are substitutes, the increase in FAS to owners from countries with a falling RRI may be understated.

Changes in Sectoral Productivity

This section describes how the Commission uses a comparative static CGE model called GTAP-FDI to analyze increases in productivity as a result of changes in FAS due to TPP investment provisions. The GTAP-FDI model is based on the standard GTAP model, extended to include data on FDI and FAS. This model has also been extended to treat the labor force as an endogenous variable (assuming a flexible labor supply). Note that the FDI model uses the same labor supply elasticities as those used in the dynamic GTAP model, which were drawn from the empirical literature.[1430]

Under the flexible labor supply assumption, the labor supply elasticity is greater than zero, which implies that the labor supply will expand in response to a rise in real wages, and contract if wages fall. This assumption allows entry into TPP to cause adjustments to aggregate employment in each country.

The simulations use GTAP version 9, with a 2011 baseline. The Commission aggregated 140 regions of the original GTAP model into 26 regions.[1431] The 57 GTAP sectors were disaggregated into 59 sectors: retail and wholesale were split into two different sectors, as were telecommunications and other communications.

When a country reduces its restrictions on FDI, costs decrease for the foreign affiliates that it hosts. This leads to increased FAS but also increases the productivity of the host country. This increase in productivity can be calculated from the increase in FAS using the GTAP-FDI model.

This analysis runs 12 simulations using the GTAP-FDI model, one for each TPP member country, in which only that country liberalizes investments that it hosts.[1432] In each simulation, that host country's FAS for all the other 11 owner countries and sectoral productivity parameters are swapped and the host country's FAS for all owner countries are shocked by the amounts given in the previous step.[1433] The GTAP-FDI model then calculates the productivity change in each

[1430] Specifically, for the United States and other developed countries in the model, this elasticity is 0.4; for all developing countries, the elasticity used is 0.44.
[1431] The 26 regions are the 12 TPP member countries, mainland China, Hong Kong, Indonesia, South Korea, the Philippines, Russia, Taiwan, Thailand, Cambodia, Laos, India, EU, Brazil, and the rest of the world.
[1432] This is done because the econometric estimate implicitly assumes a unilateral liberalization. However, the individual unilateral liberalizations are eventually combined into a multilateral liberalization (as in TPP) in the final step with the dynamic GTAP model.
[1433] This productivity parameter is country-sector specific.

sector of that country. Table G.11 shows the average productivity gains of TPP member countries from the GTAP-FDI model.

Table G.11: Host country productivity gain from TPP's reduction in host country RRI, percentage

Country	Productivity gain
Australia	0.075
Brunei	2.202
Canada	0.018
Chile	0.000
Japan	0.001
Malaysia	0.687
Mexico	0.605
New Zealand	0.693
Peru	0.001
Singapore	0.070
United States	0.001
Vietnam	0.021

Source: USITC estimates.
Notes: Economy-wide productivity gains are calculated as share-weighted means of sector/parent gains using sales shares.

As can be seen from table G.11 above, Brunei, New Zealand, and Malaysia would be expected to receive the highest productivity gains as a result of reducing their investment barriers according to TPP investment provisions. This would be due to the fact that these TPP member countries have relatively high initial FDI barriers pre-TPP, and would therefore reduce their FDI barriers more to enjoy higher overall productivity gains. By contrast, countries like Chile, the United States, Japan, and Peru already have fairly low FDI barriers prior to TPP, and therefore have little room to further reduce their FDI barriers based on TPP investment provisions. Hence, the resulting productivity gains for these countries would be relatively low.

Effects on the Economy of Cross-border Trade and FAS

As the final step in its modeling process, the Commission runs a combined simulation incorporating productivity gains as a result of TPP investment provisions, coupled with reductions in tariff and nontariff measures for cross-border trade in goods and services. This last simulation, conducted in the dynamic GTAP model, gives the macroeconomic impacts of the TPP Agreement.

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Appendix H
Additional Modeling Results

Table H.1: Estimated effects of TPP on U.S. output, employment, and trade: Changes relative to baseline in 2032

	Exports		Imports		Output		Employment
	Million $	Percent	Million $	Percent	Million $	Percent	Percent
Rice	-12.5	-0.3	15.3	1.6	-17.7	-0.1	0.0
Wheat	-1.5	0.0	18.2	1.5	-7.9	0.0	-0.7
Other grains	-5.5	-0.2	16.5	1.0	217.0	0.5	0.6
Corn grain	-31.3	-0.1	2.5	1.3	206.7	0.3	0.4
Fresh fruit, vegetables, and nuts	574.9	2.0	119.2	0.5	172.1	0.2	0.3
Soybeans	-419.4	-1.0	26.6	1.7	-406.9	-0.9	-0.9
Other oil seeds	-1.6	-0.1	40.8	2.7	52.8	0.3	0.4
All other ag	637.9	2.4	503.8	2.0	1,764.5	0.7	0.6
Cattle, sheep, goats, and horses	-3.0	-0.3	60.8	1.7	214.3	0.3	0.4
Hides and skins	115.1	0.8	35.3	2.6	141.9	0.3	0.4
Forestry	-305.3	-3.4	-1.6	-0.3	-286.6	-0.8	-1.3
Seafood	74.1	2.2	231.9	0.9	-51.5	-0.2	-0.2
Coal	-126.9	-0.5	13.5	1.0	-76.5	-0.1	-0.3
Oil	1,338.1	7.8	884.1	0.3	-486.1	-0.1	-0.3
Gas	1,384.0	5.3	1,415.4	6.1	-89.4	0.0	-0.1
Minerals and minerals products n.e.c.	441.7	1.1	509.3	1.0	18.0	0.0	0.0
Beef meat	876.1	8.4	419.0	5.7	614.6	0.5	0.4
Other meats	690.5	24.8	41.2	2.5	657.7	3.9	3.0
Pork meat products	219.3	1.9	94.4	4.4	180.3	0.3	0.3
Poultry meat prods	173.9	1.3	-16.6	-3.6	265.8	0.6	0.6
Soybean oil	27.7	1.3	2.8	3.3	54.1	0.7	0.6
Soybean meal	113.4	1.1	8.1	3.9	169.9	0.7	0.6
Dairy products	1,845.5	18.0	348.6	10.3	1,839.3	1.3	1.1
Sugar, sweeteners, and SCP	129.6	4.3	132.1	2.4	517.7	0.4	0.4
Processed foods	1,540.0	3.8	427.2	1.1	2,396.5	0.8	0.7
Chemicals	1,944.1	0.7	5,283.4	1.3	-2,854.8	-0.3	-0.3
Beverages and tobacco products	683.9	3.7	206.2	0.7	1,033.9	0.4	0.3
Textiles	256.6	1.3	869.4	1.6	-328.5	-0.4	-0.4
Wearing apparel	10.3	0.3	1,891.3	1.4	424.7	1.0	0.9
Leather products	59.5	6.0	439.2	2.0	-118.7	-1.5	-1.5
Footwear	137.7	12.2	1,103.6	2.7	29.8	0.5	0.8
Wood products	135.4	0.8	2,204.9	2.1	-1,539.7	-0.5	-0.6
Paper products, publishing	39.7	0.1	722.2	2.0	-32.3	0.0	0.0
Petroleum, coal products	1,023.8	0.7	518.8	0.4	2,931.5	0.2	0.2
Machinery and equipment	1,510.7	0.6	3,914.4	0.8	-1,683.6	-0.2	-0.2

	Exports		Imports		Output		Employment
	Million $	Percent	Million $	Percent	Million $	Percent	Percent
Metals and metal products n.e.c.	1,159.1	0.7	3,191.6	1.4	-3,664.8	-0.4	-0.3
Titanium downstream products	-33.9	-1.1	115.4	14.2	-202.4	-1.2	-1.3
Passenger vehicles	1,953.9	1.9	2,371.7	0.8	1,628.3	0.3	0.3
Auto parts and trailers	1,219.8	1.2	3,039.2	1.6	-1,365.9	-0.3	-0.3
Other transportation equipment	2,074.1	1.3	3,016.8	2.1	80.1	0.0	0.0
Electronic equipment	622.4	0.8	5,323.0	0.9	-3,729.5	-0.8	-0.8
Instruments and medical devices	169.7	0.2	1,044.6	0.7	-641.1	-0.2	-0.3
Toys, sporting goods, and other manufacturers	149.3	0.7	1,282.1	0.8	-136.1	-0.3	-0.3
Electricity	26.1	3.1	83.9	2.0	1,088.7	0.2	0.0
Gas manufacture, distribution	0.0	3.4	0.0	1.6	175.1	0.1	0.0
Water	-2.5	-2.1	9.4	1.4	17.0	0.1	0.0
Construction	-186.4	-2.0	161.4	1.5	7,234.8	0.2	0.2
Wholesale and retail trade	848.7	2.5	542.4	1.2	7,447.5	0.1	0.1
Transportation, logistics, travel, and tourism	-1,258.4	-1.1	1,770.5	1.5	-719.9	0.0	-0.1
Communications	877.7	2.8	306.4	1.2	2,845.6	0.2	0.1
Financial services n.e.c.	-12.1	0.0	787.8	1.1	1,520.0	0.1	0.1
Insurance	34.4	0.1	703.5	1.1	707.9	0.1	0.0
Business services n.e.c.	4,575.5	1.6	2,031.5	1.2	11,576.0	0.2	0.1
Recreational and other services	-687.8	-1.5	199.3	0.9	1,749.8	0.1	0.1
Public Administration, Defense, Education, Health	605.8	0.4	459.6	0.8	9,981.0	0.1	0.1

Source: USITC estimates.
Notes: Dollar values are in 2017 prices. N.e.c. = not elsewhere classified.

Table H.2: Estimated effects of TPP on U.S. exports: Changes relative to baseline in 2032.

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Rice	81.5	6.9	-8.5	-1.1	3.7	2.8	86.3	27.6	-94.0	-3.0	-12.5	-0.3
Wheat	-46.5	-1.3	43.9	3.1	32.9	4.9	-123.3	-7.9	45.1	0.5	-1.5	0.0
Other grains	19.4	2.9	2.7	0.5	0.2	0.7	16.4	14.6	-24.8	-1.0	-5.5	-0.2
Corn grain	133.2	1.4	57.5	1.3	-6.1	-0.4	81.8	2.4	-164.5	-1.3	-31.3	-0.1
Fresh fruit, vegetables, and nuts	990.3	8.3	-1.3	0.0	-3.2	-0.3	994.8	30.8	-415.4	-2.4	574.9	2.0
Soybeans	127.2	2.8	20.0	0.8	0.4	1.2	106.7	5.6	-546.6	-1.5	-419.4	-1.0
Other oil seeds	40.5	4.8	-2.6	-0.4	0.1	1.0	43.1	26.9	-42.2	-3.7	-1.6	-0.1
All other ag	1,221.7	14.0	269.1	5.6	9.7	1.2	942.9	30.3	-583.8	-3.3	637.9	2.4
Cattle, sheep, goats, and horses	14.0	2.9	8.5	2.4	0.4	1.0	5.1	6.5	-17.0	-2.8	-3.0	-0.3
Hides and skins	469.2	21.1	51.9	3.7	1.7	1.8	415.7	57.0	-354.2	-3.0	115.1	0.8
Forestry	27.7	2.3	15.9	3.7	-0.7	-4.2	12.4	1.7	-333.0	-4.3	-305.3	-3.4
Seafood	115.7	8.7	0.3	0.0	0.5	1.4	114.9	26.5	-41.6	-2.0	74.1	2.2
Coal	49.4	1.2	27.9	1.2	8.2	1.8	13.3	1.0	-176.2	-0.9	-126.9	-0.5
Oil	1,339.0	7.8	1,339.0	7.8	0.0	12.5	0.0	12.5	-0.9	-0.7	1,338.1	7.8
Gas	1,637.8	6.8	972.4	6.2	5.4	19.0	660.0	8.0	-253.8	-12.5	1,384.0	5.3
Minerals and minerals products n.e.c.	756.8	4.2	277.3	1.9	19.7	2.1	459.8	20.9	-315.1	-1.5	441.7	1.1
Beef meat	995.4	18.4	12.8	0.4	10.1	3.3	972.6	61.2	-119.3	-2.4	876.1	8.4
Other meats	756.0	54.9	529.3	52.7	2.2	3.0	224.5	75.7	-65.6	-4.7	690.5	24.8
Pork meat products	386.8	5.0	116.4	2.8	16.0	2.0	254.4	9.2	-167.5	-4.2	219.3	1.9
Poultry meat prods	588.4	15.7	150.6	5.7	105.6	17.5	332.2	70.2	-414.5	-4.2	173.9	1.3
Soybean oil	26.8	4.6	2.9	0.8	8.8	4.2	15.1	57.1	0.9	0.1	27.7	1.3
Soybean meal	385.5	12.9	-0.2	0.0	0.4	1.4	385.3	36.1	-272.0	-3.6	113.4	1.1
Dairy products	1,973.7	37.0	1,200.3	40.4	18.3	2.3	755.1	48.4	-128.1	-2.6	1,845.5	18.0
Sugar, sweeteners, and SCP	129.6	5.9	46.0	2.5	0.0	0.0	83.5	39.0	0.0	0.0	129.6	4.3
Processed foods	1,915.9	9.1	96.8	0.7	36.2	1.1	1,782.9	39.3	-375.9	-1.9	1,540.0	3.8

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Chemicals	5,457.2	3.6	2,089.4	1.8	493.6	2.7	2,874.2	21.2	-3,513.1	-2.4	1,944.1	0.7
Beverages and tobacco products	791.0	9.2	324.6	5.7	5.6	0.6	460.8	22.7	-107.1	-1.1	683.9	3.7
Textiles	551.7	5.2	232.2	2.5	28.4	3.6	291.1	48.9	-295.0	-3.1	256.6	1.3
Wearing apparel	27.9	1.1	-69.7	-3.3	9.4	5.8	88.2	44.0	-17.6	-1.2	10.3	0.3
Leather products	71.1	12.2	14.2	3.6	2.2	4.9	54.7	39.9	-11.6	-2.8	59.5	6.0
Footwear	135.0	23.6	-4.1	-1.6	-5.9	-9.7	145.0	55.4	2.6	0.5	137.7	12.2
Wood products	474.7	4.7	143.4	1.7	-4.3	-0.9	335.6	24.9	-339.3	-4.5	135.4	0.8
Paper products, publishing	629.6	3.1	302.9	1.9	33.2	2.0	293.5	13.3	-590.0	-2.8	39.7	0.1
Petroleum, coal products	1,192.8	2.2	492.4	1.8	464.6	2.1	235.8	5.9	-169.0	-0.2	1,023.8	0.7
Machinery and equipment	3,050.3	2.6	1,372.8	1.6	264.9	1.3	1,412.6	13.9	-1,539.5	-1.3	1,510.7	0.6
Metals and metal products n.e.c.	3,397.5	4.7	1,852.4	3.0	204.7	3.8	1,340.4	27.4	-2,238.4	-2.3	1,159.1	0.7
Titanium downstream products	47.3	7.1	11.1	3.5	1.7	2.6	34.5	12.0	-81.2	-3.4	-33.9	-1.1
Passenger vehicles	3,054.0	6.0	106.3	0.3	8.7	0.1	2,939.0	151.8	-1,100.1	-2.1	1,953.9	1.9
Auto parts and trailers	1,702.1	2.1	1,378.5	1.9	71.3	1.7	252.3	16.3	-482.3	-2.5	1,219.8	1.2
Other transportation equipment	2,344.5	4.1	658.4	2.4	419.4	2.9	1,266.8	8.7	-270.5	-0.3	2,074.1	1.3
Electronic equipment	2,252.7	6.8	801.4	4.7	207.0	4.0	1,244.3	11.7	-1,630.3	-3.3	622.4	0.8
Instruments and medical devices	571.2	1.7	196.2	1.2	72.8	1.0	302.1	2.8	-401.5	-0.6	169.7	0.2
Toys, sporting goods, and other manufacturers	688.8	9.6	170.3	4.0	52.7	3.6	465.8	32.7	-539.4	-3.6	149.3	0.7
Electricity	26.1	3.1	26.1	3.1	0.0	0.0	0.0	7.1	0.0	-4.3	26.1	3.1
Gas manufacture, distribution	0.0	3.6	0.0	0.0	0.0	18.2	0.0	3.5	0.0	-4.2	0.0	3.4
Water	-0.3	-0.8	-0.3	-1.3	-0.1	-1.8	0.1	0.7	-2.1	-2.8	-2.5	-2.1
Construction	-22.0	-0.9	-0.2	-1.3	-0.4	-0.6	-21.5	-0.9	-164.4	-2.4	-186.4	-2.0
Wholesale and retail trade	1,402.5	15.6	508.5	11.8	184.4	9.5	709.6	25.8	-553.8	-2.2	848.7	2.5
Transportation, logistics, travel, and tourism	-51.4	-0.2	-76.8	-0.9	-29.7	-0.5	55.1	0.7	-1,206.9	-1.3	-1,258.4	-1.1
Communications	1,391.5	25.2	416.9	20.8	237.3	12.4	737.4	46.4	-513.8	-2.0	877.7	2.8

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Financial services n.e.c.	1,008.9	8.3	-19.2	-0.4	-25.0	-1.0	1,053.1	24.6	-1,020.9	-2.0	-12.1	0.0
Insurance	564.3	4.6	-23.8	-0.3	-16.4	-1.1	604.4	15.9	-529.9	-1.9	34.4	0.1
Business services n.e.c.	9,520.1	20.7	1,346.7	15.3	857.0	9.5	7,316.4	26.0	-4,944.6	-2.0	4,575.5	1.6
Recreational and other services	-96.7	-0.7	-53.5	-0.8	-37.5	-1.5	-5.7	-0.1	-591.2	-1.8	-687.8	-1.5
Public Administration, Defense, Education, Health	2,849.8	9.8	857.7	6.3	497.4	7.2	1,494.7	17.0	-2,244.0	-1.9	605.8	0.4

Source: USITC estimates.
Notes: Dollar values are in 2017 prices. N.e.c. = not elsewhere classified.

Table H.3: Estimated effects of TPP on U.S. imports: Changes relative to baseline in 2032

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Rice	10.5	14.9	0.7	4.4	0.4	1.7	9.4	28.7	4.9	0.6	15.3	1.6
Wheat	19.1	1.6	19.1	1.6	0.0	4.4	0.0	11.1	-0.9	-3.3	18.2	1.5
Other grains	15.1	1.1	14.8	1.6	0.3	0.1	0.0	-0.2	1.4	0.5	16.5	1.0
Corn grain	2.1	1.5	2.0	1.5	0.1	1.6	0.0	7.5	0.4	0.7	2.5	1.3
Fresh fruit, vegetables, and nuts	132.7	0.7	52.9	0.4	16.1	0.4	63.6	6.4	-13.5	-0.3	119.2	0.5
Soybeans	23.1	3.5	23.1	3.5	0.0	2.3	0.0	4.2	3.5	0.4	26.6	1.7
Other oil seeds	40.4	3.2	37.7	3.4	2.8	2.2	0.0	0.1	0.4	0.1	40.8	2.7
All other ag	386.1	3.6	215.5	3.2	25.1	2.9	145.5	5.0	117.7	0.8	503.8	2.0
Cattle, sheep, goats, and horses	57.6	1.8	57.3	1.8	0.0	1.0	0.3	13.2	3.2	0.7	60.8	1.7
Hides and skins	25.3	4.4	23.7	4.2	0.4	4.0	1.2	24.9	10.0	1.3	35.3	2.6
Forestry	-2.9	-1.0	-3.7	-1.3	0.1	1.8	0.7	20.1	1.3	0.6	-1.6	-0.3
Seafood	332.2	2.9	70.5	1.4	10.9	0.3	250.8	9.0	-100.3	-0.7	231.9	0.9
Coal	14.1	4.4	13.8	4.4	0.2	3.6	0.0	6.9	-0.6	-0.1	13.5	1.0
Oil	1,819.5	0.8	1,771.9	0.7	39.1	5.1	8.6	3.5	-935.4	-1.7	884.1	0.3
Gas	1,401.5	6.1	1,401.5	6.1	0.0	41.9	0.0	100.0	13.9	6.1	1,415.4	6.1
Minerals and minerals products n.e.c.	348.9	2.5	140.1	1.3	13.5	0.6	195.3	17.3	160.4	0.4	509.3	1.0
Beef meat	437.9	6.4	-11.2	-0.3	6.8	0.4	442.3	27.7	-18.9	-4.4	419.0	5.7
Other meats	46.8	3.1	30.4	36.0	15.3	1.9	1.1	0.2	-5.6	-4.1	41.2	2.5
Pork meat products	93.8	6.2	93.6	6.2	0.1	1.0	0.0	10.3	0.6	0.1	94.4	4.4
Poultry meat prods	-18.9	-4.2	33.2	10.8	-52.2	-36.9	0.0	39.1	2.3	28.1	-16.6	-3.6
Soybean oil	2.8	3.3	2.8	3.3	0.0	2.9	0.0	8.7	0.0	-3.3	2.8	3.3
Soybean meal	7.3	6.2	7.3	6.2	0.0	11.1	0.0	20.0	0.8	0.9	8.1	3.9
Dairy products	369.1	31.2	114.6	46.2	0.1	0.2	254.3	29.8	-20.4	-0.9	348.6	10.3
Sugar, sweeteners, and SCP	132.1	3.6	74.8	2.2	57.3	30.6	0.0	0.0	0.0	0.0	132.1	2.4
Processed foods	-202.7	-1.0	-587.8	-3.5	111.3	5.7	273.7	23.2	629.9	3.3	427.2	1.1
Chemicals	6,202.8	6.8	2,712.7	4.1	339.6	2.7	3,150.5	22.7	-919.4	-0.3	5,283.4	1.3

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Beverages and tobacco products	111.5	1.1	48.9	0.6	12.6	1.1	50.0	7.5	94.8	0.5	206.2	0.7
Textiles	786.0	14.7	183.8	4.6	4.8	5.3	597.4	46.4	83.4	0.2	869.4	1.6
Wearing apparel	7,355.1	25.0	11.7	0.2	2.2	0.2	7,341.3	35.2	-5,463.8	-5.1	1,891.3	1.4
Leather products	1,158.5	55.3	4.3	1.3	0.0	1.0	1,154.1	65.5	-719.3	-3.6	439.2	2.0
Footwear	1,551.9	23.4	93.6	13.4	0.3	4.6	1,458.0	24.6	-448.3	-1.3	1,103.6	2.7
Wood products	1,850.0	5.8	510.7	2.2	26.9	2.1	1,312.4	17.8	354.9	0.5	2,204.9	2.1
Paper products, publishing	530.7	4.1	494.6	4.1	12.0	3.6	24.1	3.9	191.4	0.8	722.2	2.0
Petroleum, coal products	812.9	2.2	726.1	2.1	28.2	2.9	58.6	3.9	-294.1	-0.3	518.8	0.4
Machinery and equipment	4,553.3	3.1	2,493.2	2.3	92.9	2.1	1,967.2	6.1	-639.0	-0.2	3,914.4	0.8
Metals and metal products n.e.c.	3,139.3	4.0	2,211.1	3.4	219.3	2.7	708.9	10.6	52.2	0.0	3,191.6	1.4
Titanium downstream products	202.1	109.7	-4.2	-10.2	-1.7	-10.7	208.1	164.1	-86.8	-13.8	115.4	14.2
Passenger vehicles	933.8	0.5	806.4	0.6	2.7	1.8	124.8	0.3	1,437.9	1.4	2,371.7	0.8
Auto parts and trailers	3,830.3	3.9	2,887.4	3.3	8.1	2.7	934.7	8.7	-791.1	-0.8	3,039.2	1.6
Other transportation equipment	2,561.1	4.5	1,907.7	3.9	46.8	4.9	606.6	8.7	455.7	0.5	3,016.8	2.1
Electronic equipment	2,973.9	4.0	1,634.4	4.1	138.3	4.8	1,201.2	3.8	2,349.1	0.5	5,323.0	0.9
Instruments and medical devices	932.2	2.1	376.8	1.4	64.4	1.4	491.1	3.9	112.3	0.1	1,044.6	0.7
Toys, sporting goods, and other manufacturers	410.3	6.2	208.2	4.5	24.7	5.7	177.4	12.0	871.8	0.6	1,282.1	0.8
Electricity	83.9	2.0	83.9	2.0	0.0	16.7	0.0	0.0	0.0	0.0	83.9	2.0
Gas manufacture, distribution	0.0	3.4	0.0	33.3	0.0	0.0	0.0	0.0	0.0	1.4	0.0	1.6
Water	0.4	0.5	0.0	0.0	0.1	0.4	0.3	0.6	8.9	1.6	9.4	1.4
Construction	51.6	3.5	-0.3	-0.8	-0.6	-1.3	52.4	3.7	109.8	1.2	161.4	1.5
Wholesale and retail trade	7.6	0.1	-21.8	-0.7	1.8	0.2	27.6	2.1	534.8	1.3	542.4	1.2
Transportation, logistics, travel, and tourism	2,137.8	11.6	2,255.6	23.2	-74.0	-1.6	-43.8	-1.0	-367.3	-0.4	1,770.5	1.5
Communications	50.0	1.4	-10.3	-0.6	-0.8	-0.1	61.2	7.3	256.4	1.1	306.4	1.2
Financial services n.e.c.	-70.1	-0.8	-40.4	-1.0	-49.3	-1.7	19.6	0.9	857.9	1.4	787.8	1.1

Sector	All TPP		NAFTA partners		Existing FTA partners		New FTA partners		Rest of the world		All countries	
	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent	Million $	Percent
Insurance	-45.2	-0.5	-30.0	-0.5	-9.3	-0.7	-5.9	-0.3	748.7	1.3	703.5	1.1
Business services n.e.c.	27.9	0.1	-16.6	-0.2	-21.1	-0.3	65.6	1.4	2,003.6	1.3	2,031.5	1.2
Recreational and other services	-24.4	-0.5	-28.1	-0.8	10.7	1.4	-7.0	-0.9	223.7	1.4	199.3	0.9
Public Administration, Defense, Education, Health	-64.6	-0.9	-49.5	-1.5	-8.3	-0.5	-6.9	-0.3	524.2	1.0	459.6	0.8

Source: USITC estimates.
Notes: Dollar values are in 2017 prices. N.e.c. = not elsewhere classified.

Table H.4: Estimated effects of TPP on factor payments: Percent changes relative to baseline in 2032

Sector	Land	Labor	Capital	Natural resources	Total
Rice	-0.5	0.2	0.1	0.0	0.0
Wheat	-0.2	-0.2	-0.3	0.0	-0.2
Other grains	1.8	1.0	1.0	0.0	1.3
Corn grain	1.5	0.9	0.8	0.0	1.1
Fresh fruit, vegetables, and nuts	1.3	0.7	0.7	0.0	1.0
Soybeans	-0.6	-0.5	-0.5	0.0	-0.5
Other oil seeds	1.4	0.8	0.7	0.0	1.1
All other ag	1.8	1.0	1.0	0.0	1.3
Cattle, sheep, goats, and horses	1.4	0.8	0.7	0.0	1.1
Hides and skins	1.1	0.8	0.8	0.0	0.9
Forestry	0.0	-0.8	-0.9	-5.7	-2.6
Seafood	0.0	0.3	0.3	1.6	0.6
Coal	0.0	0.2	0.1	-0.9	-0.7
Oil	0.0	0.1	0.0	-1.1	-0.5
Gas	0.0	0.3	0.3	-0.1	0.1
Minerals and minerals products n.e.c.	0.0	0.4	0.4	-0.3	0.3
Beef meat	0.0	0.9	0.9	0.0	0.9
Other meats	0.0	3.4	3.1	0.0	3.4
Pork meat products	0.0	0.7	0.7	0.0	0.7
Poultry meat prods	0.0	1.0	1.0	0.0	1.0
Soybean oil	0.0	1.1	1.1	0.0	1.1
Soybean meal	0.0	1.1	1.1	0.0	1.1
Dairy products	0.0	1.6	1.6	0.0	1.6
Sugar, sweeteners, and SCP	0.0	0.8	0.8	0.0	0.8
Processed foods	0.0	1.1	1.2	0.0	1.2
Chemicals	0.0	0.1	0.1	0.0	0.1
Beverages and tobacco products	0.0	0.7	0.7	0.0	0.7
Textiles	0.0	0.1	0.1	0.0	0.1
Wearing apparel	0.0	1.4	1.4	0.0	1.4
Leather products	0.0	-1.1	-1.0	0.0	-1.1
Footwear	0.0	1.2	1.2	0.0	1.2
Wood products	0.0	-0.1	-0.1	0.0	-0.1
Paper products, publishing	0.0	0.4	0.4	0.0	0.4
Petroleum, coal products	0.0	0.6	0.6	0.0	0.6
Machinery and equipment	0.0	0.2	0.2	0.0	0.2
Metals and Metals and metal products n.e.c.	0.0	0.1	0.1	0.0	0.1
Titanium downstream products	0.0	-0.9	-0.8	0.0	-0.8
Passenger vehicles	0.0	0.7	0.8	0.0	0.7
Auto parts and trailers	0.0	0.1	0.2	0.0	0.1
Other transportation equipment	0.0	0.4	0.4	0.0	0.4
Electronic equipment	0.0	-0.4	-0.4	0.0	-0.4
Instruments and medical devices	0.0	0.2	0.2	0.0	0.2
Toys, sporting goods, and other manufacturers	0.0	0.1	0.2	0.0	0.1
Electricity	0.0	0.4	0.4	0.0	0.4
Gas manufacture, distribution	0.0	0.4	0.5	0.0	0.5
Water	0.0	0.4	0.5	0.0	0.5
Construction	0.0	0.7	0.7	0.0	0.7

Sector	Land	Labor	Capital	Natural resources	Total
Wholesale and retail trade	0.0	0.5	0.6	0.0	0.5
Transportation, logistics, travel, and tourism	0.0	0.3	0.4	0.0	0.4
Communications	0.0	0.5	0.6	0.0	0.6
Financial services n.e.c.	0.0	0.5	0.5	0.0	0.5
Insurance	0.0	0.5	0.5	0.0	0.5
Business services n.e.c.	0.0	0.6	0.6	0.0	0.6
Recreational and other services	0.0	0.5	0.5	0.0	0.5
Public Administration, Defense, Education, Health	0.0	0.5	0.6	0.0	0.5

Source: USITC estimates.
Notes: Dollar values are in 2017 prices. N.e.c. = not elsewhere classified.

Appendix I
Quantitative Analysis of IPR Protections

For an accessible version of Appendix I, click here.

This appendix describes the econometric model and sensitivity tests the Commission used in preparing the estimate in chapter 6 of the effects of increased patent protection on U.S. receipts for the use of intellectual property abroad (IP receipts).

Model Specification

The Commission's regression strategy is a panel approach that shows how changes in a country's characteristics correlate with changes in U.S. IP receipts.[1434]

The econometric specification is:

$$ln\mathrm{IPReceipts}_{ct} = \alpha ln\mathrm{GDP}_{ct} + \beta\,\mathrm{Park}_{ct} + \gamma_c + \delta_t + \varepsilon_{ct} \quad (1)$$

The variable $ln\mathrm{IPReceipts}_{ct}$ is the natural log of IP receipts from country *c* in year *t, and* $ln\mathrm{GDP}_{ct}$ is the log of the country's GDP. Park_{ct} is the value of the Ginarte-Park (Park) index of statutory patent protections for country *c* in year *t*.[1435] The country fixed effects γ_c deal with time-invariant factors that affect the level of patent protection, such as the distance of the country from the United States, common language, and historical institutions.[1436] The year fixed effects δ_t deal with changes in the U.S. technology (or intellectual property) stock and effectively deflates the other variables.

This analysis estimates the model for 30 economies using the three years (2000, 2005, and 2010) when there are both services trade data on U.S. IP receipts from the U.S. Department of Commerce's Bureau of Economic Analysis (BEA)[1437] and Park data.[1438] GDP data for 2000–10 are from the International Monetary Fund.[1439]

[1434] The approach is similar to that used in Ivus, "Do Stronger Patent Rights," 2010, and Lippoldt and Schultz, "Uncovering Trade Secrets," 2014.

[1435] Park, "Patent Index 1960–2010," n.d. (accessed February 22, 2016).

[1436] This is a conventional way to deal with endogeneity, following Baier and Bergstrand, "Do Free Trade Agreements," 2007.

[1437] The 30 individual economies are Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Hong Kong, India, Indonesia, Israel, Italy, Japan, South Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, and the United Kingdom. Eight of these are TPP parties: Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, and Singapore. BEA data are not available for Brunei, Peru, or Vietnam. BEA, table 2.1, October 15, 2015.

[1438] Although Venezuela is in both the BEA and Park data sets, it is dropped from the analysis due to unusual circumstances in that country: it is the one country in the dataset for which patent protections decreased during the time period. The analysis also drops Ireland, as only one year of IP receipt data is available for it.

[1439] IMF, World Economic Outlook databases (accessed February 22, 2016).

Regression Results

Column (1) in table I.1 presents the results of the preferred specification. The coefficient of the Park index, the impact of patent protections on IP receipts, is positive and statistically significant. To examine the robustness of our results to changes in our model specification, several alternative specifications were also considered.

Table I.1: Econometric estimates using different model specifications

	Regression Specification				
Variable	**(1), preferred**	**(2)**	**(3)**	**(4)**	**(5)**
Park	0.347** (0.168)		0.451 (0.517)	0.526*** (0.152)	0.453*** (0.157)
Park × Fraser		0.032** (0.013)	-0.021 (0.084)		
Fraser			0.171 (0.339)		
TSP				–0.194 (0.184)	
TSP × Fraser					0.012 (0.017)
Ln GDP	0.655*** (0.187)	0.668*** (0.185)	0.633*** (0.185)	0.623*** (0.193)	0.606*** (0.184)
Country and year fixed effects	Yes	Yes	Yes	Yes	Yes
Number of observations	90	88	88	78	78
Adjusted R^2	0.966	0.966	0.965	0.972	0.972

Notes: Robust standard errors in parenthesis. ** (or ***) indicates significant at 5% (or 1%) level.

Specification (2) focuses on the rule of law. Although the Park index measures patent protection, it is limited to ***statutory*** protection levels. Statutory rights, however, may have different impacts depending on the country's level of rule of law. Therefore, the analysis estimates a second specification in which the value of the Park index is interacted with that portion of the Fraser Institute's Economic Freedom Index that addresses legal systems and property rights. The components include judicial independence; impartial courts; protection of property rights; military interference; integrity of the legal system; legal enforcement of contracts; regulatory costs; reliability of police; and business costs of crime. It does not focus specifically on the enforcements of patents or IPRs, but on the rule of law more generally.[1440]

Specification (2) follows the literature in not including Park and Fraser as separate variables (only their interaction). [1441] IP receipts are modeled as:

$$ln\text{IPReceipts}_{ct} = \alpha ln\text{GDP}_{ct} + \beta\,\text{Park}_{ct} \times \text{Fraser}_{ct} + \gamma_c + \delta_t + \varepsilon_{ct} \quad (2)$$

[1440] Fraser Institute, "Economic Freedom," 2015, 4.

[1441] See Hu and Png, "Patent Rights," 2013, and Maskus and Yang, "The Impacts of Post-TRIPS," 2013.

As in the main regression, the coefficient of interest, Park × Fraser, is positive and statistically significant. If the coefficients of specification (2) are used for the scenarios, instead of those in the preferred regression (1), the effect of increasing patent protection is smaller. A comparison of the scenario effects using specifications (1) and (2) is given in table I.2.

Table I.2: Scenario estimates using different regression specifications

		(1), preferred	(2)
Historical effect	Absolute (billion $)	2.9	1.8
	Percent	11	7
Counterfactual effect	Absolute (billion $)	5.0	3.2
	Percent	17	11

Source: Compiled by USITC staff.

However, since adding the Fraser Index does not improve the regression's adjusted R^2, and the index does not focus specifically on IPR protection or enforcement, specification (1) is preferred as it uses the most direct and simple measure of patent protection.

Specification (3) is another specification that looks at rule of law, but also includes the Park and Fraser variables by themselves:

$$ln\text{IPReceipts}_{ct} = \alpha ln\text{GDP}_{ct} + \beta\,\text{Park}_{ct} \times \text{Fraser}_{ct} + \theta_1\,\text{Park}_{ct} + \theta_2\text{Fraser}_{ct} + \gamma_c + \delta_t + \varepsilon_{ct} \quad (3)$$

However, in specification (3), none of the coefficients for the three variables of interest is statistically significant. Taken together, the results for specifications (2) and (3) indicate that using the Park variable alone, as in specification (1), is the most appropriate specification.

Specifications (4) and (5) of table **I.1** look at trade secret protection (TSP). The measures of country-level TSP for 1995 to 2010 are taken from Lippoldt and Schultz.[1442] In specification (4), TSP is included as an additional explanatory variable:

$$ln\text{IPReceipts}_{ct} = \alpha ln\text{GDP}_{ct} + \beta_{park}\,\text{Park}_{ct} + \beta_{TSP}\,\text{TSP}_{ct} + \gamma_c + \delta_t + \varepsilon_{ct} \quad (4)$$

In specification (5), the TSP and Park variables are interacted with the Fraser Index:

$$lnIPReceipts_{ct} = \alpha lnGDP_{ct} + \beta_{park}\,Park_{ct} + \beta_{TSP}\,TSP_{ct} \times Fraser_{ct} + \gamma_c + \delta_t + \varepsilon_{ct} \quad (5)$$

However, the TSP coefficients in both of these equations are not statistically significant, meaning that any changes in measured trade secret protection during the period 1995–2010 did not have a statistically significant relationship to changes in IP receipts.

[1442] Lippoldt and Schultz, “Uncovering Trade Secrets,” 2014.

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Appendix J
Data Tables for Figures

Table J.1: Shares of world GDP for TPP signatory countries, 2014

Country	Share of world GDP
Non-TPP	64
United States	22.4
Japan	5.9
Canada	2.3
Australia	1.9
Mexico	1.6
Brunei	0.02
Chile	0.3
Malaysia	0.4
Peru	0.3
New Zealand	0.2
Singapore	0.4
Vietnam	0.2

Source: World Bank, World Development Indicators (accessed January 20, 2016). Table corresponds to fig. 1.3.

Table J.2: Sectoral shares of TPP countries' GDP, by sector, 2013[a]

Country	Agriculture	Manufacturing	Services	Other
Australia	2.5	7.1	70.7	19.7
Brunei	0.7	12.3	31.0	56.0
Canada	1.5	10.7	70.8	17.0
Chile	3.2	11.8	61.7	23.3
Japan	1.2	18.5	72.6	7.7
Malaysia	9.3	23.9	50.2	16.6
Mexico	3.5	17.5	62.1	16.9
New Zealand	6.9	12.1	69.8	11.2
Peru	7.2	15.7	54.3	22.8
Singapore	0.0	18.8	74.9	6.3
United States	1.4	12.4	78.1	8.1
Vietnam	18.4	17.5	43.3	20.8

Source: World Bank, World Development Indicators (accessed July 7, 2015). Table corresponds to fig. 1.4.

[a] "Other" industries are defined as construction, mining (including petroleum products), electricity, gas, and water. Data for Canada and Peru are based on 2010 data and data for New Zealand are based on 2011 data.

Table J.3: Share of total trade of goods and services exports and imports, by partner, 2014[a]

Country	Services Exports	Goods exports	Goods imports	Services imports
Australia	9.3	41.1	38.9	10.8
Brunei	6.7	62.1	21.3	10
Canada	7.7	41.9	40.9	9.5
Chile	7	43.2	40.8	8.9
Japan	8.1	38.1	44.8	9
Malaysia	7.9	44.2	39.4	8.5
Mexico	2.4	46.8	47.1	3.8
New Zealand	12.2	37.8	38.6	11.4
Peru	6.2	40.9	44.8	8.1
Singapore	13.3	38.7	34.6	13.4
United States	13.8	31.4	45.5	9.3
Vietnam	3.4	46.4	45.7	4.5

Source: UN, Comtrade (accessed January 8, 2016); USITC DataWeb/USDOC (accessed December 31, 2015); ASEAN, ASEANstats database (accessed December 14, 2015); UN, Service Trade Statistics Database (accessed December 14, 2015); OEDC, OECD.Stat (accessed January 27, 2016); USDOC, BEA, table 2.2, "U.S. Trade in Services, by Type of Services and by Country or Affiliation," October 15, 2015. Note: The distance between the black bars and the 50 percent line indicate the country's total trade surplus or deficit. For example, Australian imports and exports were nearly balanced, whereas Brunei ran a trade surplus of approximately 18 percent. Table corresponds to fig. 1.5.

[a] Services data for Japan and New Zealand are based on 2013 data.

Table J.4: U.S. merchandise exports to and imports from TPP partners, 2014, billion dollars

Country	Exports	Imports
Brunei	0.55	0.03
New Zealand	4.26	3.98
Vietnam	5.73	30.59
Malaysia	13.07	30.42
Japan	66.83	134.00
Peru	10.05	6.08
Chile	16.51	9.48
Australia	26.58	10.67
Singapore	30.24	16.43
Mexico	240.25	294.07
Canada	312.42	347.80

Source: USITC DataWeb/USDOC (accessed January 25, 2016). Table corresponds to fig. 1.6.

Table J.5: U.S. total export destinations and import sources from TPP partners and the rest of the world, 2014

Country	U.S. total exports	U.S. general imports
World (trillion $)	1.62	2.35
Shares by country (percent):		
Non-TPP	55.2	62.4
Canada	19.3	14.8
Mexico	14.8	12.5
Japan	4.1	5.7
Singapore	1.9	1.3
Australia	1.6	1.3
Chile	1.0	0.7
Malaysia	0.8	0.5
Peru	0.6	0.4

Country	U.S. total exports	U.S. general imports
Vietnam	0.4	0.3
New Zealand	0.3	0.2
Brunei	0.0	0.0

Source: USITC DataWeb/USDOC (accessed January 25, 2016). Table corresponds to fig. 1.7.

Table J.6: Shares of outward-bound and inward-bound FDI stocks, by TPP country, 2014

Country	U.S. outward FDI stocks	U.S. inward FDI stocks
World (trillion $)	4.9	2.9
Shares by country (percent):		
Australia	3.7	1.6
Canada	7.8	9.0
Japan	2.2	12.9
Mexico	2.2	0.6
Singapore	3.7	0.7
Other TPP	1.1	0.1
Non-TPP	79.3	75.1

Source: USDOC, BEA, "Direct Investment Positions for 2014: Country and Industry Detail," 2015 (accessed December 28, 2015). Table corresponds to fig. 1.8.

Table J.7: Sectors with the 10 largest U.S. tariff reductions under TPP for partners with which the United States has no existing FTAs, trade-weighted ad valorem rates

	AVE before TPP	AVE in 2032
Footwear	14.1	0.0
Sugars, sweeteners, and SCP	14.0	0.1
Titanium downstream products	13.2	0.0
Wearing apparel	13.0	0.0
Leather products	8.6	0.0
Textiles	5.8	0.0
Beef meat	3.8	0.0
Rice	3.5	0.0
Pork meat products	2.9	0.0
Processed foods	2.9	0.0

Source: USITC calculations; ITC, "Tariff Rates for 2016–2046 between TPP Member Countries," 2016. Table corresponds to fig. 2.1.

Note: Does not include tariff lines subject to TRQs. TPP countries with which the United States has no existing FTAs are Brunei, Japan, Malaysia, New Zealand, and Vietnam. SCP = sugar-containing products.

Table J.8: Sectors with the 10 largest tariff reductions on U.S. exports under TPP to partners with which the United States has no existing FTAs, trade-weighted ad valorem rates

	AVE before TPP	AVE in 2032	AVE in 2046
Beef meat	32.0	7.6	6.2
Footwear	17.2	0.3	0.0
Corn grain	16.0	0.0	0.0
Rice	14.9	0.0	0.0
Poultry meat prods	14.1	0.0	0.0
Other meats	9.0	0.0	0.0
Wearing apparel	8.7	0.0	0.0
Sugars, sweeteners, and SCP	8.3	0.0	0.0
Processed foods	8.4	0.2	0.2
All other agriculture	8.1	0.5	0.0

Source: USITC calculations; ITC, "Tariff Rates for 2016–2046 between TPP Member Countries," 2016. Table corresponds to fig. 2.2.
Note: Does not include tariff lines subject to TRQs. TPP countries with which the United States has no existing FTAs are Brunei, Japan, Malaysia, New Zealand, and Vietnam. SCP = sugar-containing products.

Table J.9: Effectively applied tariffs for U.S. imports and tariffs applied by TPP partners against U.S. exports, percent

			AVE before TPP	AVE in 2032
Against new FTA partners	USA	Agriculture and food	1.2	0.0
		Manufacturing	1.8	0.0
		Natural resources and energy	0.1	0.0
Against U.S. exports	Australia	Agriculture and food	0.0	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0
	Brunei	Agriculture and food	8.2	0.0
		Manufacturing	2.4	0.0
		Natural resources and energy	0.0	0.0
	Canada	Agriculture and food	0.0	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0
	Chile	Agriculture and food	0.0	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0
	Japan	Agriculture and food	15.6	9.9
		Manufacturing	0.6	0.0
		Natural resources and energy	0.0	0.0
	Mexico	Agriculture and food	0.0	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0
	Malaysia	Agriculture and food	14.6	0.8
		Manufacturing	2.2	0.0
		Natural resources and energy	2.2	0.0
	New Zealand	Agriculture and food	2.2	0.0
		Manufacturing	1.7	0.0
		Natural resources and energy	0.0	0.0
	Peru	Agriculture and food	0.2	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0

			AVE before TPP	AVE in 2032
	Singapore	Agriculture and food	0.0	0.0
		Manufacturing	0.0	0.0
		Natural resources and energy	0.0	0.0
	Vietnam	Agriculture and food	7.6	0.0
		Manufacturing	2.6	0.0
		Natural resources and energy	0.1	0.0

Source: USITC calculations; ITC, "Tariff Rates for 2016–2046 between TPP Member Countries," 2016. Table corresponds to fig. 2.3.
Note: Does not include tariff lines subject to TRQs. Based on trade-weighted averages using 2012–14 trade statistics.

Table J.10: Estimated ad valorem equivalents of services trade barriers, by broad service sector, percent

	Before TPP	AVE in 2032
Communications	45.1	26.5
Business services n.e.c.	34.3	21.7
Public services	44.9	36.8
Wholesale and retail trade	34.3	26.8
Financial services n.e.c.	53.0	46.7
Insurance services	39.8	34.5
Water transport	36.3	33.3
Road, rail, and air transport	20.8	20.6
Construction	40.1	40.1

Source: USITC estimates. Table corresponds to fig. 2.4.
Note: N.e.c. = "not elsewhere classified."

Table J.11: Decomposition of U.S. real income, GDP, trade, and employment gains, by modeled TPP provisions, percent

	Real income	GDP	Exports	Imports	Employment
Traded goods provisions	55.4	68.2	80.9	57.6	59.9
Traded services provisions	34.2	21.4	10.4	27.2	27.7
Investment provisions	10.4	10.4	8.7	15.2	12.4

Source: USITC estimates. Table corresponds to fig. 2.5.

Table J.12: United States merchandise trade balance, 1996–2015, by partner type, billion $

	US FTA partners	Rest of the world
1996	-40.5	-127.9
1997	-33.8	-148.9
1998	-38.0	-195.4
1999	-59.2	-272.7
2000	-82.2	-354.3
2001	-87.5	-323.4
2002	-92.4	-377.9
2003	-101.4	-434.3
2004	-116.0	-537.2
2005	-121.9	-644.7
2006	-132.4	-685.6
2007	-125.7	-665.3
2008	-113.1	-686.9
2009	-51.6	-449.4

	US FTA partners	Rest of the world
2010	-71.4	-564.0
2011	-65.8	-659.6
2012	-70.8	-659.6
2013	-67.6	-622.3
2014	-63.9	-663.2
2015	-60.4	-676.7

Source: USITC DataWeb/USDOC (accessed on March 15, 2016). Table corresponds to fig. 2.7.

Table J.13: U.S. domestic exports to TPP parties, 2011–15, billion $

	U.S. exports, 2015	Change in U.S. exports, 2011–15
Canada	202.3	-5.3
Mexico	160.9	25.6
Japan	43.6	-0.9
Singapore	22.5	-3.7
Australia	20.0	-2.8
Chile	12.9	-0.5
Malaysia	9.2	-1.9
Peru	6.3	-0.04
Vietnam	4.2	1.8
New Zealand	2.7	-0.1
Brunei	0.1	-0.05

Source: USITC DataWeb/USDOC (accessed February 7, 2016). Table corresponds to fig. 4.1.

Table J.14: U.S imports for consumption from TPP partners, 2011–15, billion $

Country	U.S. imports, 2015	Change in U.S. imports, 2011–15
Mexico	261.6	23.2
Canada	253.9	-28.5
Japan	125.7	1.5
Vietnam	34.2	19.1
Malaysia	31.7	9.5
Singapore	15.4	-1.3
Australia	5.9	-1.2
Chile	4.4	-1.3
Peru	3.0	-1.8
New Zealand	1.0	0.2
Brunei	0.0	0.0

Source: USITC DataWeb/USDOC (accessed February 17, 2016). Table corresponds to fig. 4.2.

Table J.15: Percent of tariff lines for U.S. exports to current non-FTA partners that are or will become duty free upon TPP entry into force, MNRE products

	MFN	EIF
Brunei	71	91
Japan	49	96
Malaysia	59	83
New Zealand	56	94
Vietnam	35	69

Source: TPP, chap. 2, Annex 2-D. Table corresponds to fig. 4.3.
Notes: MFN: most favored nation. EIF: entry into force of TPP. MFN rates are those listed in each country's tariff elimination schedule. Tariff lines that are duty free at the entry into force of the agreement only include MFN duty-free rates and those for which duties would be eliminated under TPP. EIF rates are specific to U.S. exports—rates of duty elimination may vary by country. For New Zealand, the analysis does not include the tariff lines for which duty rates apply for the good of which it is a part.

Table J.16: U.S. international services supplied, 2005–14, billion $

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cross-border private exports–TPP countries	111.1	118.9	127.7	135.1	129.5	151.6	164.9	175.6	176.7	176.3
Cross-border private exports–All other countries	246.3	278.6	339.8	378.6	362.7	391.9	440.7	458.0	488.3	513.8
Services supplied by U.S. firms' foreign affiliates–TPP countries	211.2	242.8	265.6	288.4	292.7	327.0	363.8	376.1	380.9	
Services supplied by U.S. firms' foreign affiliates–All other countries	584.4	647.0	753.6	828.6	779.0	828.2	883.2	909.9	940.0	

Source: USDOC, BEA, Interactive tables, International Data, January 20, 2016. Table corresponds to fig. 5.1.
Notes: Data for affiliates are available from 2005 through 2013. Affiliate data for TPP countries include data for Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, and Singapore. Affiliate data for Brunei and Vietnam are not available. Cross-border data for TPP countries include data for Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, and Singapore. Cross-border data for Brunei, Peru, and Vietnam are not available.

Table J.17: U.S. international services received, 2005–14, billion $

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Cross-border private imports–TPP countries	65.0	71.2	74.6	76.9	68.7	75.8	81.9	87.0	91.3	94.2
Cross-border private imports–All other countries	212.0	242.6	269.7	303.3	286.7	301.6	322.5	337.1	347.1	359.0
Services supplied by U.S. affiliates of foreign firms–TPP countries	152.8	164.9	174.3	181.6	177.2	188.5	216.0	227.4	270.7	
Services supplied by U.S. affiliates of foreign firms–All other countries	418.3	483.4	509.5	520.0	492.1	512.6	565.5	585.8	607.8	

Source: USDOC, BEA, Interactive tables, International Data, January 20, 2016. Table corresponds to fig. 5.2.
Notes: Data for affiliates are available from 2005 through 2013. Affiliate data for TPP countries include data for Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, and Singapore. Affiliate data for Brunei and Vietnam are not available. Cross-border data for TPP countries include data for Australia, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, and Singapore. Cross-border data for Brunei, Peru, and Vietnam are not available.

Table J.18: U.S. private cross-border exports of services, 2014, billion $

Country	Canada	Japan	Mexico	Australia	Singapore	Other TPP countries	All other	Total
U.S. private cross-border exports	61.1	46.1	29.6	19.0	11.7	8.8	513.8	690.1
Percent of total	8.8	6.7	4.3	2.8	1.7	1.3	74.5	100.0

Source: USDOC, BEA, Interactive Tables, International Data, International Services, "Table 2.3: U.S. Trade in Services, by Country or Affiliation and by Type of Service" (accessed January 20, 2016). Table corresponds to fig. 5.3.
Note: Other TPP countries include Chile ($3.8 billion), Malaysia ($2.8 billion), and New Zealand ($2.2 billion).

Table J.19: U.S. private cross-border imports of services, 2014, billion $

Country	Canada	Japan	Mexico	Australia	Singapore	Other TPP countries	All other	Total
U.S. private cross-border imports	29.8	28.3	19.4	6.6	5.8	4.4	359.0	453.3
Percent of total	6.6	6.2	4.3	1.5	1.3	1.0	79.2	100.0

Source: USDOC, BEA, Interactive Tables, International Data, Internationa l Services, "Table 2.3: U.S. Trade in Services, by Country or Affiliation and by Type of Service" (accessed January 20, 2016). Table corresponds to fig. 5.4.
Notes: Totals may not add to 100 percent due to rounding. Other TPP countries include Malaysia ($1.8 billion), New Zealand ($1.5 billion), and Chile ($1.2 billion).

Table J.20: Affiliate transactions: Services supplied to foreign persons by U.S. multinational enterprises through their majority-owned foreign affiliates, 2013, billion $

Country	Canada	Japan	Singapore	Australia	Mexico	Other TPP countries	All other	Total
Affiliate transactions: Services supplied to foreign persons by U.S. MNEs through their MOFAs, 2013	127.6	71.6	59.5	52.6	43.4	26.2	940.0	1,320.9
Percent of total	9.7	5.4	4.5	4.0	3.3	2.0	71.2	100.0

Source: USDOC, BEA, Interactive Tables, International Data, International Services, "Table 3.2: Services Supplied to Foreign Persons by U.S. MNEs through Their MOFAs, by Country of Affiliate and by Destination" (accessed January 20, 2016). Table corresponds to fig. 5.5.
Note: Other TPP countries include Chile ($11.5 billion), Malaysia ($7.9 billion), New Zealand ($4.2 billion), and Peru ($2.6 billion).

Table J.21: Affiliate transactions: Services supplied to U.S. persons by foreign multinational enterprises through their majority-owned U.S. affiliates, 2013, billion $

Country	Japan	Canada	Australia	Singapore	Other TPP countries	All other	Total
Affiliate transactions: Services supplied to U.S. persons by foreign multinational enterprises	146.5	84.4	22.9	8.3	8.6	607.8	878.5
Percent of total	16.7	9.6	2.6	0.9	1.0	69.2	100.0

Source: USDOC, BEA, Interactive Tables, International Data, International Services, "Table 4.2: Services Supplied to U.S. Persons by Foreign MNEs through Their MOUSAs, by Country of UBO" (accessed January 20, 2016). Table corresponds to fig. 5.6.
Notes: Totals may not add to 100 percent due to rounding. Other TPP countries include Mexico ($7,503 million), Malaysia ($467 million), New Zealand ($458 million), Chile ($178 million), and Peru ($6 million.

Table J.22: How TPP reduces the trade costs faced by U.S. services exporters, by service industry, percent

	Before TPP	After TPP
Wholesale and retail trade	34	27
Road, rail, and air transport	21	21
Water transport	36	33
Communications	45	26
Banking + other financial services	53	47
Insurance services	40	34
Other business services	34	22

Source: USITC estimates. Table corresponds to fig. 5.7.
Note: This refers to trade costs faced by U.S. services exporters in the sectors listed to TPP partner markets.

Table J.23: How TPP reduces the trade costs faced by U.S. services exporters, by TPP partners, percent

	Before TPP	After TPP
Canada	33	29
Mexico	64	50
Chile	42	36
Peru	49	42
Japan	42	28
Australia	42	36
New Zealand	32	21
Malaysia	25	17
Singapore	13	11
Vietnam	33	23
Brunei	32	21

Source: USITC estimates. Table corresponds to fig.5.8.

Table J.24: Insurance penetration and GDP per capita, 2013

Country Name	Insurance penetration, percent	GDP per capita, PPP (constant 2011 international $)
Australia	5.2	42,830
Canada	4.9	42,213
Chile	4.2	21,801
Japan	6.7	35,614
Malaysia	5.0	23,419
Mexico	2.1	16,141
New Zealand	2.8	33,360
Peru	1.7	11,324
Singapore	7.3	77,721
United States	10.7	51,282

Source: OECD Stat, "Insurance Indicators" (accessed January 16, 2016); World Bank, "World Development Indicators"" (accessed January 16, 2015). Table corresponds to fig. 5.9.

Table J.25: Australia's services trade, 2014, percent

Trade	United States	TPP countries excluding the United States	Non-TPP countries
Exports	11.0	23.2	65.8
Imports	18.7	21.7	59.6

Source: OECD Stat database (accessed on January 22, 2016). Table corresponds to fig. F.1.

Table J.26: Australia's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	23.7	19.3	57.0
Outward FDI stock	25.2	15.5	59.3

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.2.
Note: Because FDI data are not available for some TPP countries, the share of Australia's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Mexico, and Peru; and the share of Australia's outward FDI stock shown for TPP countries excluding the United States does not includes Brunei, Canada, Mexico, and Peru.

Table J.27: Canada's services trade, 2014, percent

Trade	United States	TPP countries excluding the United States	Non-TPP countries
Exports	55.0	6.4	38.6
Imports	56.4	6.7	36.9

Source: OECD Stat database (accessed on January 22, 2016). Table corresponds to fig. F.3.
Note: Because Canada's services trade data are not available for all TPP countries, the shares shown for TPP countries excluding the United States do not include Brunei and Peru.

Table J.28: Canada's inward and outward FDI stock, 2014, percent

FDI Stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	49.4	3.4	47.3
Outward FDI stock	42.2	9.5	48.3

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.4.
Note: Because Canada's FDI data are not available for some TPP countries, the share of Canada's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Chile, Malaysia, New Zealand, Peru, and Vietnam; and the share of Canada's outward FDI stock shown for TPP countries excluding the United States does not include Brunei and Vietnam.

Table J.29: Chile's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	15.9	8.1	76.0
Outward FDI stock	3.9	9.1	86.9

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.5.
Note: Because Chile's FDI data are not available for some TPP countries, the share of Chile's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Malaysia, and Vietnam; and the share of Chile's outward FDI stock shown for TPP countries excluding the United States does not include Brunei.

Table J.30: Japan's services trade, 2014, percent

Trade	United States	TPP countries excluding the United States	Non-TPP countries
Exports	26.0	13.8	60.2
Imports	30.1	11.5	58.4

Source: OECD Stat database (accessed on January 22, 2016). Table corresponds to fig. F.6.
Note: Because Japan's services trade data are not available for some TPP countries, the shares shown for TPP countries excluding the United States do not include Brunei, Chile, and Peru.

Table J.31: Japan's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	30.5	10.0	59.4
Outward FDI stock	32.3	13.4	54.4

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.7.
Note: Because Japan's FDI data are not available for some TPP countries, the shares of Japan's inward and outward FDI stock shown for TPP countries excluding the United States do not include Brunei, Chile, and Peru.

Table J.32: Malaysia's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	7.7	35.5	56.8
Outward FDI stock	0.3	22.7	77.0

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.8.
Note: Because Malaysia's FDI data are not available for some TPP countries, the share of Malaysia's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Canada, Chile, Mexico, New Zealand, Peru, and Vietnam; and the share of Malaysia's outward FDI stock shown for TPP countries excluding the United States does not include Brunei, Canada, Chile, Japan, Mexico, New Zealand, and Peru.

Table J.33: Mexico's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	47.9	7.2	44.9
Outward FDI stock	33.5	4.1	62.4

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.9.
Note: Because Mexico's FDI data are not available for some TPP countries, the share of Mexico's outward FDI stock shown for TPP countries excluding the United States does not include Australia, Brunei, Japan, Malaysia, New Zealand, Singapore, and Vietnam.

Table J.34: New Zealand's services trade, 2014, percent

Trade	United States	TPP countries excluding the United States	Non-TPP countries
Exports	14.1	33.2	52.7
Imports	13.1	43.3	43.6

Source: OECD Stat database (accessed on January 22, 2016), table corresponds to fig. F.10.
Note: Because New Zealand's services trade data are not available for some TPP countries, the shares shown for TPP countries excluding the United States do not include Chile and Peru.

Table J.35: New Zealand's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	7.9	66.2	25.8
Outward FDI stock	16.8	65.4	17.8

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015), table corresponds to fig. F.11.
Note: Because New Zealand's FDI data are not available for some TPP countries, the share of New Zealand's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Chile, Malaysia, Mexico, Peru, and Vietnam; and the share of New Zealand's outward FDI stock shown for TPP countries excluding the United States does not include Brunei, Chile, Mexico, Peru, and Vietnam.

Table J.36: Singapore's services trade, 2014, percent

Trade	United States	TPP countries excluding the United States	Non-TPP countries
Exports	11.3	18.4	70.3
Imports	16.8	9.2	74.0

Source: Government of Singapore, Department of Statistics, "Singapore International Trade in Services 2014" (accessed April 4, 2016). Table corresponds to fig. F.12.
Note: Because Singapore's services trade data are not available for some TPP countries, the shares shown for TPP countries excluding the United States do not include Brunei, Chile, Mexico, and Peru.

Table J.37: Singapore's inward and outward FDI stock, 2014, percent

FDI stock	United States	TPP countries excluding the United States	Non-TPP countries
Inward FDI stock	37.9	16.7	45.4
Outward FDI stock	5.2	16.6	78.2

Source: IMF, Coordinated Direct Investment Survey (accessed December 28, 2015). Table corresponds to fig. F.13.
Note: Because the FDI data are not available for some TPP countries, the share of Singapore's inward FDI stock shown for TPP countries excluding the United States does not include Brunei, Mexico, Peru, and Vietnam; and the share of Singapore's outward FDI stock shown for TPP countries excluding the United States does not include Brunei, Peru, and Vietnam.