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


- In the executive summary, page 25, table ES.4 has been recalculated based on the final data provided by the Office of the U.S. Trade Representative (USTR) in January 2016. The original table was based on USTR’s original public release of the data on its website in November 2015. The differences between the original and recalculated tables do not alter the conclusions drawn from the table in any significant way. The text drawing on table ES.4 has been modified to reflect the recalculated table.
- In chapter 1, page 52, table 1.4 is the same as table ES.4. This table has also been recalculated. The text drawing on table 1.4 has also been modified to reflect the recalculated table.
- In chapter 3, pages 120–22, table 3.5 has been modified to clarify that certain quota increases which are permanent in nature result in quantities that grow larger each year in perpetuity.
- In chapter 3, page 141, table 3.13 has been corrected to show that Japanese tariffs on whey, modified whey, and lactose will be eliminated in 21 years, not 24 years.
- A new appendix, appendix J, has been added to the publication. It contains data tables for all figures in the report.

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<td>American Apparel &amp; Footwear Association</td>
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<td>ACC</td>
<td>American Chemistry Council</td>
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<tr>
<td>ACTPN</td>
<td>Advisory Committee for Trade Policy and Negotiations</td>
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<td>AD/CVD</td>
<td>antidumping and countervailing duty</td>
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<td>AFL-CIO</td>
<td>American Federation of Labor &amp; Congress of Industrial Organizations</td>
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<td>AIA</td>
<td>Aerospace Industries Association</td>
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<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>ATI</td>
<td>Allegheny Technologies Incorporated</td>
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<tr>
<td>AVE</td>
<td>ad valorem equivalent</td>
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<tr>
<td>BEA</td>
<td>Bureau of Economic Analysis</td>
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<td>BIO</td>
<td>Biotechnology Innovation Organization</td>
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<tr>
<td>BSA</td>
<td>Business Software Alliance</td>
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<td>CAFTA-DR</td>
<td>Dominican Republic-Central America Free Trade Agreement</td>
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<tr>
<td>CBP</td>
<td>Customs and Border Protection</td>
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<tr>
<td>CBTS</td>
<td>cross-border trade in services</td>
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<td>CECATEC-DR</td>
<td>Central American-Dominican Republic Apparel and Textile Council</td>
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<td>CGE</td>
<td>computable general equilibrium</td>
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<td>CIA</td>
<td>Central Intelligence Agency</td>
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<td>CITES</td>
<td>Convention on International Trade in Endangered Species of Wild Fauna and Flora</td>
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<td>CPMA</td>
<td>Color Pigments Manufacturers Association</td>
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<tr>
<td>CSI</td>
<td>Coalition of Services Industries</td>
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<tr>
<td>CTC</td>
<td>cooperative technical consultation</td>
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<td>CTHA</td>
<td>Chemical Tariff Harmonization Agreement</td>
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<td>DOE</td>
<td>U.S. Department of Energy</td>
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<td>EAA</td>
<td>Express Association of America</td>
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<tr>
<td>ECAT</td>
<td>Emergency Committee for American Trade</td>
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<td>E-commerce</td>
<td>electronic commerce</td>
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<td>Electronic Frontier Foundation</td>
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<td>EIAP</td>
<td>Earned Import Allowance Program</td>
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<td>entry into force</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<td>Footwear Distributors and Retailers Association</td>
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<td>FTA</td>
<td>free trade agreement</td>
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<td>FTE</td>
<td>full-time equivalent</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>GE</td>
<td>General Electric Company</td>
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<td>GEO</td>
<td>Genetically engineered organisms</td>
</tr>
<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<td>GI</td>
<td>geographical indication</td>
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<td>GPM</td>
<td>United Nations Global Policy Model</td>
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<td>GTAP</td>
<td>Global Trade Analysis Project</td>
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<td>Global Trade Information Services</td>
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<td>HS</td>
<td>Harmonized System (international tariff schedule of the United States)</td>
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<tr>
<td>HTS</td>
<td>Harmonized Tariff Schedule (international tariff schedule of the United States)</td>
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<td>ICSID</td>
<td>International Centre for Settlement of Investment Disputes</td>
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<td>ICT</td>
<td>information and communications technology</td>
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<td>IFPI</td>
<td>International Federation of the Phonographic Industry</td>
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<tr>
<td>IIPA</td>
<td>International Intellectual Property Alliance</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>IP</td>
<td>intellectual property</td>
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<tr>
<td>IP receipts</td>
<td>income U.S. firms receive from the use of intellectual property abroad</td>
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<tr>
<td>IPR or IPRs</td>
<td>intellectual property rights</td>
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<tr>
<td>ISP</td>
<td>Internet service provider</td>
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<tr>
<td>ISDS</td>
<td>investor-state dispute settlement</td>
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<td>ITA</td>
<td>Information Technology Agreement</td>
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<td>ITAC</td>
<td>Industry Trade Advisory Committee</td>
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<td>ITIC</td>
<td>Information Technology Industry Council</td>
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<td>ITIF</td>
<td>Information Technology and Innovation Foundation</td>
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<tr>
<td>IIU</td>
<td>illegal, unreported, and unregulated fishing practices</td>
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<tr>
<td>KEI</td>
<td>Knowledge Ecology International</td>
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<td>KORUS</td>
<td>U.S.-Korea Free Trade Agreement</td>
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<td>LNG</td>
<td>liquefied natural gas</td>
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<td>MEA</td>
<td>multilateral environmental agreement</td>
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<tr>
<td>MFN</td>
<td>most-favored nation</td>
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<tr>
<td>MNE</td>
<td>multinational enterprise</td>
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<tr>
<td>MNRE</td>
<td>manufactured goods, natural resources, and energy</td>
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<td>MPAA</td>
<td>Motion Picture Association of America, Inc.</td>
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<td>MOFA</td>
<td>majority-owned foreign affiliate</td>
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<td>MOUSA</td>
<td>majority-owned U.S. affiliate</td>
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<td>MRA-ETR</td>
<td>APEC Mutual Recognition Arrangement for Equivalence of Technical Requirements</td>
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<td>MRATEL</td>
<td>APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment</td>
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<td>Doctors Without Borders/Médecins San Frontières</td>
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<td>NAFTA</td>
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<td>NAICS</td>
<td>North American Industry Classification System</td>
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<td>NAM</td>
<td>National Association of Manufacturers</td>
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<td>NC</td>
<td>National Committee (Malaysia) to Coordinate the Implementation of Environment Chapters under Our Free Trade Agreements</td>
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<td>NCC</td>
<td>National Chicken Council</td>
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<td>NCM</td>
<td>nonconforming measure</td>
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<td>NCTO</td>
<td>National Council of Textile Organizations</td>
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<td>NGO</td>
<td>nongovernmental organization</td>
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<tr>
<td>n.i.e.</td>
<td>not included elsewhere</td>
</tr>
<tr>
<td>NMPF</td>
<td>National Milk Producers Federation</td>
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<tr>
<td>NRF</td>
<td>National Retail Federation</td>
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<tr>
<td>NTM</td>
<td>nontariff measure</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OIE</td>
<td>World Organization for Animal Health</td>
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<td>Park Index</td>
<td>patent protection index developed by Juan Ginarte and Walter Park</td>
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<td>PhRMA</td>
<td>Pharmaceutical Research and Manufacturers of America</td>
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<td>POP</td>
<td>point of presence</td>
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<td>PSMA</td>
<td>Port State Measures Agreement</td>
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<td>PSRs</td>
<td>product-specific rules</td>
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<td>RMI</td>
<td>rights management information</td>
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<td>ROOs</td>
<td>rules of origin</td>
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<td>RRI</td>
<td>FDI regulatory restrictiveness index</td>
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<td>regional value content</td>
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<td>SBS</td>
<td>simultaneous buy-sell</td>
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<td>SCM Agreement</td>
<td>WTO Agreement on Subsidies and Countervailing Measures</td>
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<td>SIA</td>
<td>Semiconductor Industry Association</td>
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<td>Software &amp; Information Industry Association</td>
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<td>SMEs</td>
<td>small and medium-sized enterprises</td>
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<td>SOE</td>
<td>state-owned enterprise</td>
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<td>SPS</td>
<td>sanitary and phytosanitary</td>
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<td>STRI</td>
<td>Services Trade Restrictiveness Index</td>
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<td>Trade and Environment Policy Advisory Committee</td>
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<td>TiCl4</td>
<td>titanium tetrachloride</td>
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<td>TIMET</td>
<td>Titanium Metals Corporation</td>
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<td>TPP</td>
<td>Trans-Pacific Partnership</td>
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<td>TPM</td>
<td>technological protection measure</td>
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<td>WTO Agreement on Trade-related Investment Measures</td>
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<td>TRIPS</td>
<td>WTO Agreement on Trade-related Aspects of Intellectual Property Rights</td>
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<td>TRQ</td>
<td>tariff-rate quota</td>
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<td>UACT</td>
<td>Union for Affordable Cancer Treatment</td>
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<td>UBO</td>
<td>ultimate beneficial owner</td>
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<td>United Nations</td>
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<td>United Nations Conference on Trade and Development</td>
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<td>International Union for the Protection of New Varieties of Plants</td>
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<td>United States</td>
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<td>USAPEEC</td>
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<td>USCIB</td>
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<td>USITC</td>
<td>United States International Trade Commission</td>
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<td>USO</td>
<td>universal service obligation</td>
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<tr>
<td>USTR</td>
<td>Office of the United States Trade Representative</td>
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<td>USW</td>
<td>United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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TPP Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors
Preface

The United States concluded negotiations on the Trans-Pacific Partnership Agreement (TPP Agreement) with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam on October 5, 2015. On November 5, 2015, President Obama notified Congress of his intent to enter into the TPP Agreement. As provided for in section 105(c)(1) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (Trade Priorities Act), on November 5, 2015, the President, through the United States Trade Representative (USTR), provided the U.S. International Trade Commission (the Commission) with the details of the TPP Agreement as it existed at that time and requested that the Commission prepare and submit an assessment of the TPP Agreement as described in section 105(c)(2)–(3) of the Trade Priorities Act.

The President entered into the TPP Agreement on February 4, 2016. Section 105(c)(2) of the Trade Priorities Act requires that not later than 105 calendar days after the President enters into a trade agreement under section 103(b) of the Trade Priorities Act (in this case, by May 19, 2016), the Commission submit to the President and the Congress a report assessing the likely impact of the agreement on the U.S. economy as a whole and on specific industry sectors, including its impact on gross domestic product; exports and imports; aggregate employment and employment opportunities; the production, employment, and competitive position of industries likely to be significantly affected by the agreement; and the interests of United States consumers. Section 105(c)(3) provides that the Commission, in preparing its assessment, is to (1) review available economic assessments regarding the agreement, (2) provide in its assessment a description of the analyses used and conclusions drawn in that literature, and (3) discuss areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

A copy of the request letter from USTR for this investigation is in appendix A. The Commission’s notice of institution and scheduling of a public hearing, published in the Federal Register of November 20, 2015, is in appendix B. The Commission held a public hearing for this investigation on January 13–15, 2016. A calendar of the hearing is included in appendix C of this report, and summaries of hearing testimony and written submissions provided by interested parties are included in appendix D.