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

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United States International Trade Commission

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William Powers

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Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

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This report was prepared principally by:

Project Leader

Jose Signoret

jose.signoret@usitc.gov

Deputy Project Leader

Laura Bloodgood

laura.bloodgood@usitc.gov

Office of Industries

Lesley Ahmed, André Barbé, Renee Berry, Andrea Boron, Dawn Brown, Arthur Chambers, Logan Cobb, David Coffin, Andrew David, Sharon Ford, Eric Forden, Cynthia Foreso, Kim Freund, John Fry, Brad Gehrke, John Giamalva, Vincent Honnold, Tamar Khachaturian, Dan Kim, Martha Lawless, Katherine Linton, Kathryn Lundquist, Brendan Lynch, Elizabeth Nesbitt, Sabina Neumann, Erick Oh, Joann Peterson, Jennifer Powell, Laura Rodriguez, George Serletis, Marin Weaver, and Isaac Wohl

Office of Economics

Austin Drenski, Lin Jones, Danielle Nesmith, Craig Thomsen, Marinos Tsigas, Bennet Voorhees, Joseph Webster, Anton Yang, and Wen Jin Yuan

Office of Analysis and Research Services

Robert Bauchspies, Peg Hausman, and Jeremy Wise

Office of General Counsel

Mary Jane Alves, Andrea Casson, and William Gearhart

Office of Tariff Affairs and Trade Agreements

Arun Butcher, Janet Elizabeth Freas, James Holbein, John Kitzmiller, Vanessa Lee, Donnette Rimmer, and Jan Summers

Content Reviewers

Joanna Bonarriva, Arona Butcher, and Alan Fox

Document Preparation and Design

Johnita Glover, Cynthia Payne, and Monica Sanders

Help Desk and Customer Service Division

Special Assistance, Office of CIO

Shala Ewing

Under the direction of

David Riker, Chief

Research Division

Errata

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- 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.

June 29, 2016

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Acronyms and Abbreviations

Terms	Definitions
AAFA	American Apparel & Footwear Association
ACC	American Chemistry Council
ACTPN	Advisory Committee for Trade Policy and Negotiations
AD/CVD	antidumping and countervailing duty
AFL-CIO	American Federation of Labor & Congress of Industrial Organizations
AIA	Aerospace Industries Association
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATI	Allegheny Technologies Incorporated
AVE	ad valorem equivalent
BEA	Bureau of Economic Analysis
BIO	Biotechnology Innovation Organization
BSA	Business Software Alliance
CAFTA-DR	Dominican Republic–Central America Free Trade Agreement
CBP	Customs and Border Protection
CBTS	cross-border trade in services
CECATEC-DR	Central American–Dominican Republic Apparel and Textile Council
CGE	computable general equilibrium
CIA	Central Intelligence Agency
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPMA	Color Pigments Manufacturers Association
CSI	Coalition of Services Industries
CTC	cooperative technical consultation
CTHA	Chemical Tariff Harmonization Agreement
DOE	U.S. Department of Energy
EAA	Express Association of America
ECAT	Emergency Committee for American Trade
E-commerce	electronic commerce
EFF	Electronic Frontier Foundation
EIAP	Earned Import Allowance Program
EIF	entry into force
ESA	Entertainment Software Association
EU	European Union
FDI	foreign direct investment
FDRA	Footwear Distributors and Retailers Association
FTA	free trade agreement
FTE	full-time equivalent
GATT	General Agreement on Tariffs and Trade
GATS	General Agreement on Trade in Services
GE	General Electric Company
GEO	Genetically engineered organisms
GDP	gross domestic product
GI	geographical indication
GPM	United Nations Global Policy Model
GTAP	Global Trade Analysis Project
GTIS	Global Trade Information Services
HS	Harmonized System (international tariff schedule of the United States)

Terms	Definitions
HTS	Harmonized Tariff Schedule (international tariff schedule of the United States)
ICSID	International Centre for Settlement of Investment Disputes
ICT	information and communications technology
IFPI	International Federation of the Phonographic Industry
IIPA	International Intellectual Property Alliance
ILO	International Labour Organization
IP	intellectual property
IP receipts	income U.S. firms receive from the use of intellectual property abroad
IPR or IPRs	intellectual property rights
ISP	Internet service provider
ISDS	investor-state dispute settlement
ITA	Information Technology Agreement
ITAC	Industry Trade Advisory Committee
ITIC	Information Technology Industry Council
ITIF	Information Technology and Innovation Foundation
IUU	illegal, unreported, and unregulated fishing practices
KEI	Knowledge Ecology International
KORUS	U.S.-Korea Free Trade Agreement
LNG	liquefied natural gas
MEA	multilateral environmental agreement
MFN	most-favored nation
MNE	multinational enterprise
MNRE	manufactured goods, natural resources, and energy
MPAA	Motion Picture Association of America, Inc.
MOFA	majority-owned foreign affiliate
MOUSA	majority-owned U.S. affiliate
MRA-ETR	APEC Mutual Recognition Arrangement for Equivalence of Technical Requirements
MRATEL	APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment
MSF	Doctors Without Borders/Médecins San Frontières
NAFTA	North American Free Trade Agreement
NAICS	North American Industry Classification System
NAM	National Association of Manufacturers
NC	National Committee (Malaysia) to Coordinate the Implementation of Environment Chapters under Our Free Trade Agreements
NCC	National Chicken Council
NCM	nonconforming measure
NCTO	National Council of Textile Organizations
NGO	nongovernmental organization
n.i.e.	not included elsewhere
NMPF	National Milk Producers Federation
NRF	National Retail Federation
NTM	nontariff measure
OECD	Organisation for Economic Co-operation and Development
OIE	World Organization for Animal Health
Park Index	patent protection index developed by Juan Ginarte and Walter Park
PhRMA	Pharmaceutical Research and Manufacturers of America
POP	point of presence
PSMA	Port State Measures Agreement
PSRs	product-specific rules
RMI	rights management information
ROOs	rules of origin

TPP Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors

Terms	Definitions
RRI	FDI regulatory restrictiveness index
RVC	regional value content
SBS	simultaneous buy-sell
SCM Agreement	WTO Agreement on Subsidies and Countervailing Measures
SIA	Semiconductor Industry Association
SIIA	Software & Information Industry Association
SMEs	small and medium-sized enterprises
SOE	state-owned enterprise
SPS	sanitary and phytosanitary
STRI	Services Trade Restrictiveness Index
TBTs	technical barriers to trade
TCNA	Tile Council of North America
TEPAC	Trade and Environment Policy Advisory Committee
TiCl ₄	titanium tetrachloride
TIMET	Titanium Metals Corporation
TPP	Trans-Pacific Partnership
TPM	technological protection measure
TRIMs	WTO Agreement on Trade-related Investment Measures
TRIPS	WTO Agreement on Trade-related Aspects of Intellectual Property Rights
TRQ	tariff-rate quota
UACT	Union for Affordable Cancer Treatment
UBO	ultimate beneficial owner
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UPOV	International Union for the Protection of New Varieties of Plants
U.S.	United States
USAPEEC	USA Poultry and Egg Export Council
USCIB	U.S. Council for International Business
USDA	U.S. Department of Agriculture
USDEC	U.S. Dairy Export Council
USDOC	United States Department of Commerce
USFIA	U.S. Fashion Industry Association
USITC	United States International Trade Commission
USO	universal service obligation
USTR	Office of the United States Trade Representative
USW	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union
WTO	World Trade Organization

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.

