

## Trans-Pacific Partnership (TPP) Fact Sheet September 2015

The United States is a member of the nearly-completed Trans-Pacific Partnership, or TPP, a massive trade agreement encompassing 40 percent of the world's productivity. The trade agreement will make headlines this fall when it is completed and heads to Congress for ratification. Here's what you need to know about TPP and how it affects small business:

- TPP is a 12 country trade agreement under negotiation that spans the Americas (US, Canada, Mexico, Chile, Peru), Asia (Japan, Vietnam, Malaysia, Singapore, Brunei) and Oceania (Australia, New Zealand).
- According to a [2004 NFIB Research Foundation study](#) on international trade, approximately 67% of small manufacturing exporters sell to TPP member countries with 32% selling to Canada, 13% to Mexico, and 3% to Australia and New Zealand.
- Negotiations are in the final stages. The latest round of negotiations was held in late July, but a dispute over Canada's dairy market prevented an agreement.
- [Trade Promotion Authority](#) (TPA), enacted in June, requires that the text of a concluded trade agreement be released to the public 60 days prior to being signed by the President and leaders of other countries in the agreement.
- After the trade agreement has been signed following the 60 day waiting period, the President publishes legislation for implementing the agreement and, after another mandatory 30 day waiting period for the public and Congress to read that legislation, introduces the bill to Congress for approval.
- Once introduced, the bill has 45 days to reach the floor of both the House and Senate. No amendments may be introduced and filibusters are not allowed. A majority vote is required to ratify the agreement.

TPP is a complex agreement that involves a variety of topics relevant to business. Although a full text will not be available until negotiations are completed, the Office of the US Trade Representative (USTR) provides a list of [negotiating objectives](#). Below is a summary of the expected parts of the agreement that are most relevant to small business owners:

- TPP is expected to decrease barriers to trade for all parties involved, allowing greater market access for US exports. This is not only relevant for small exporters but also for small businesses in the exporting supply chain. New market access is expected in agriculture, chemicals and plastics, manufacturing of automobiles and machinery, and textiles, among other industries. For more information, USTR has provided a breakdown of US exports and the barriers they currently face [by industry](#) and [by state](#).

- TPP is expected to ease access for cross-border data flows, allowing businesses to provide digital goods and services in TPP countries and make online sales easier for small exporters.
- A negotiating objective of TPP is to create a fairer environment for businesses that compete with state-owned enterprises (SOE), including those facing import competition, by establishing rules for fair practices and increasing transparency of government support for SOEs.
- TPP is expected to include enforceable provisions that hold all members of the agreement to the same level of environmental regulation that US companies face.
- Though specifics are unclear, TPP is expected to require simplified customs procedures that would allow small businesses to more easily export goods to TPP countries.
- The United States is seeking commitments from TPP countries to provide access to information on utilizing free trade agreements. This is designed to make it easier for small businesses to export into TPP countries.