

Texas Lawmaker Optimistic About TPP Passage in U.S.

By Lucien O. Chauvin | May 4, 2016 8:15PM ET

Trans-Pacific Partnership

Key Development: Congress is likely to approve the Trans-Pacific Partnership before the end of the year, despite a shrinking window of opportunity, U.S. lawmaker tells Bloomberg BNA.

Context: U.S. congressional delegation visits Chile, Mexico and Peru to discuss key TPP issues such as environmental and labor standards.

Concerns in Peru: Patients' rights groups, which weren't invited to meet with U.S. lawmakers, are concerned the TPP will raise drug prices.

What's Next:

- In the U.S., the job going forward is convincing other lawmakers, especially Democrats, to get the TPP on the agenda for debate and a vote.
- In Peru, the run-off election for president is scheduled for June 5.

May 4 (BNA) -- Congress is likely to approve the Trans-Pacific Partnership before the end of the year, despite a quickly shrinking window of opportunity, Rep. Henry Cuellar (D-Texas) said May 4.

"Usually we would take up this kind of bill before the August break, but this time I think it might be difficult. It will depend on the Republican leadership. My guess is, if we don't do it before the August break, it will be during the lame-duck session," Cuellar told Bloomberg BNA during an interview in Lima, Peru.

The job going forward is convincing other lawmakers, especially Democrats, to get the TPP on the agenda for debate and a vote.

"For every trade agreement since I have been here, there has been spirited debate within our party, but at the end of the day I think we will have a bipartisan vote to get it done," said Cuellar, who is a member of the House Appropriations Committee.

Cuellar was part of an 11-member, bipartisan congressional fact-finding mission led by House Minority Leader Nancy Pelosi (D-Calif.) who came to Peru to meet with President Ollanta Humala's administration and civil society groups to discuss high-profile issues in

the TPP debate, including environmental issues and labor rights. The itinerary also included Mexico and Chile.

His comments came less than a week after House Ways and Means Committee Chairman Kevin Brady (R-Texas) said he wants Congress to consider the 12-nation TPP agreement before the end of the year. In addition, former Defense Secretary Leon Panetta said the chances for the TPP agreement being ratified by Congress after 2016 are “very low” (See previous story, 04/29/16).

U.S. approval of the TPP is essential for the agreement to be implemented. The rules require at least six signatory countries, representing 85 percent of the combined gross domestic product (GDP) of the member nations, to ratify before the TPP can be implemented. This is impossible without the U.S., which accounts for approximately 62 percent of combined GDP.

The 12 TPP trade ministers will get a chance to talk about the next steps May 17-18, when they meet in Peru during a ministerial meeting of the 21 economies that form the Asia-Pacific Economic Cooperation forum. Peru's trade minister has confirmed that the 12 TPP ministers will meet on the sidelines of that gathering.

Lame-Duck Consideration in Peru

Chile, Mexico and Peru, together with Canada and the U.S., form the American contingent of the TPP. The 30-chapter agreement, signed in early February in New Zealand, also includes Australia, Brunei, Japan, Malaysia, New Zealand, Singapore and Vietnam.

Peru's government is considering submission of the agreement during the country's lame-duck session. Peruvians elected new representatives to the 130-member unicameral Congress on April 10. New lawmakers take office at the end of July.

Lawmakers and analysts told Bloomberg BNA in mid-April that the April 10 election results bode well for eventual ratification of the TPP in Peru, with voters backing two presidential candidates who are more pro-business and rejecting the anti-trade candidate. Former Congresswoman Keiko Fujimori and former Finance Minister Pedro Pablo Kuczynski—both of whom support the TPP—will square off in a run-off election for president June 5 (See previous story, 04/14/16).

Mexico is the only Latin American government that so far has submitted the TPP to its legislature for approval, and Economy Minister Ildefonso Guajardo Villarreal told

Bloomberg BNA that a decision on its ratification is expected by the end of the year (See previous story, 04/29/16).

Treating People Fairly

The principal issues raised with the U.S. lawmakers were environmental and labor concerns, said Cuellar. “These are the issues that have been brought up. We are trying to make sure that we have a balanced approach, not only from the United States, but from other countries that are part of the TPP,” he said.

In the case of Peru, Cuellar said there is concern about a report on labor practices published March 18 by the U.S. Department of Labor's Office of Trade and Labor Affairs under the parameters of free trade agreement between Peru and the U.S. in place since February 2009 (See previous story, 03/28/16).

“The Peruvians have responded that they don't think there is a violation, but they are willing to address it. This is one of the purposes of the trip. We are able to raise these issues so folks know they will be treated fairly under the TPP,” he said.

Cuellar said the important thing about the TPP is that it allows the U.S. to engage other countries about critical issues. “My thing about TPP is that I would rather that [we] help write the rules rather than us standing on the sideline and have China or somebody else write the rules for us,” he said.

Silent on Drug Prices

Cuellar also referred to the issue of biologic medicines, including concerns that rules on intellectual property rights could restrict access by jacking up costs. Julio Cesar Cruz, leader of a Peruvian organization representing people who are HIV positive (Prosa), said the TPP could jeopardize access to medication.

“We have pushed for the Health Ministry to make a public commitment that prices will not increase, but they are silent. The silence from the TPP negotiations has carried over,” he said. Prosa and other patients' rights groups were not invited to meet the U.S. congressional leaders.

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The Labor Department report on Peru is available
at http://www.dol.gov/ilab/reports/pdf/Public_Report_of_Review_of_US_Submission_2015-01.pdf.

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