



## Trans-Pacific Partnership Free Trade Agreement

**Background:** On September 22, 2008, then-U.S. Trade Representative Susan Schwab and Ministers of the Trans-Pacific Strategic Economic Partnership Agreement (Brunei Darussalam, Chile, New Zealand, and Singapore) announced the launch of negotiations for the U.S. to join that Agreement. After that announcement, Australia, Peru and Vietnam announced their intention to join the negotiations. The start of the talks in early 2009 have been delayed by the need for the U.S. to put its new trade team in place and evaluate its intentions with respect to this agreement.

The U.S. already has FTAs with four of the TPP participants -- Australia, Chile, Singapore and Peru. Only New Zealand, Vietnam, and Brunei would be new FTA partners, and only Vietnam can be seen as offering any new real economic opportunity. With respect to U.S. dairy interests, the current TPP proposal would largely benefit only New Zealand. The U.S. dairy industry refuses to be pitted against the monopolistic practices that exist in New Zealand. Under this regime one company is permitted to control over 90 percent of the country's milk production, which has given it a competitive advantage and has allowed it to account for more than 1/3 of global dairy trade.

**USDEC Position:** USDEC insists that the TPP FTA as currently structured must exclude all U.S.-New Zealand dairy trade to address the very serious anti-competitive practices in New Zealand. USDEC has been urging the U.S. to engage in a more comprehensive endeavor in the Asian region, which would include, for example, Japan.