

# The Trans-Pacific Partnership Would Ban “Buy American” and “Buy Local” Procurement Preferences

## What is the Trans-Pacific Partnership (TPP)?

- The TPP is a massive, controversial, pro-corporate "free trade" agreement among the United States and 11 other countries – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Although it is called a “trade” agreement, the TPP is not mainly about trade. Of TPP's 30 chapters, only six deal with traditional trade issues.
- In early November 2015, after seven years of close-door negotiations with the public, press and policymakers locked out, the final TPP text was released. In chapter after chapter, the final text is worse than expected, with the demands of the 500 official U.S. trade advisers representing corporate interests satisfied to the detriment of the public interest.
- The TPP can take effect only if the U.S. Congress approves it, and its fate in Congress is uncertain at best.

## How Would the Trans-Pacific Partnership Ban “Buy American” and “Buy Local” Procurement Preferences?

- The TPP’s procurement chapter would require that all firms operating in any signatory country be provided equal access as domestic firms to U.S. government procurement contracts over a certain dollar threshold. The United States would agree to waive “Buy American” and “Buy Local” procurement policies for all such foreign firms, eliminating an important policy tool to use U.S. tax dollars for U.S. job creation.
- Some corporate TPP proponents argue that these rules would be good for the United States because they would ban domestic preferences in all signatory countries, allowing U.S. firms to bid on procurement contracts in other countries on equal footing with domestic firms. It is a ridiculous notion that new access for some U.S. companies to bid on contracts in TPP countries is a good trade-off for waiving “Buy American” preferences on U.S. procurement: **Taking even the most favorable cut on other countries’ markets, the total U.S. procurement market is more than five times the size of the combined procurement market of the TPP parties:** Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.
- **Even with Japan in the TPP, the U.S. procurement market is over twice as large as the new TPP procurement market would be.** Plus, Japan and the United States are already party to the WTO’s Government Procurement Agreement – which covers most procurement that the TPP would likely cover. Accordingly, there will be few, if any, new procurement opportunities in Japan for the United States.