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AGENDA ITEM
REQUEST/JUSTIFICATION FORM

(To be completed by requesting Department)
Forward all requests to Sharon Bourke, LC2 Civic Center
DEADLINE SUBMITTAL IS 3:00 P.M. WEDNESDAY BEFORE THE TUESDAY MEETING

Agenda item: **Presentation**
(i.e. Consent/Recognition-Proclamation/Presentation/Public Hearing/Committee, etc.)
Date to be on agenda: **December 15, 2015**

Exact wording to be used for the agenda: **Trans Pacific Partnership Trade Agreement presentation by Al Mumm.**

Action requested:

Amount requested: Object Code:

Is item in current year's budget? Yes ____ No ____

Does this item commit funds in future years? Yes ____ No ____

If yes, explain:

If an agreement or contract, has the County Attorney reviewed and approved? Yes No

Previous action taken on this item, if any:

Recommendations and rationale or action:

Will anyone speak on behalf of this item, if so who?

If this is a rush agenda item, please explain why:

Submitted by (Name & Dept.:) **Commissioner Mike Boyle** Ext. **444-7025**

Date submitted: **11/18/15**
List Attachments:
(Attach resolution and all pertinent documentation; i.e. contract, agreement, memorandums, etc.)

Certified resolutions can be obtained at the County Clerk's website:
http://www.douglascountyclerk.org/county-board-records/search-for-resolutions

Completed by receiving office
Received in Administrative Office: Date 11/18/15 Time

agenda request form effective 1-26-2010

Revised 1-26-2010

Nebraska Alliance for Retired Americans

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11-18-15

Douglas County Commissioners:

I contacted Mike Boyle, Jim Cavanaugh, Marc Craft, and Mary Ann Borgeson yesterday about talking to the Commission about the Trans Pacific Partnership Trade Agreement (TPP). I contacted those members of the board first only because I have met all of them at one time or another and I hope no offense is taken that I waited until today to contact you all with information about the TPP. Commissioner Boyle has invited me to speak to you at your board meeting on December 15, and I have accepted the invitation (I believe he copied you all in the e-mail he sent me). We have a short power point presentation to show you and also the President of the Nebraska State AFL-CIO will attend the meeting as well. The purpose of all this is not only to make you all aware of the flaws in this agreement and show why it negatively affects all Americans in one way or another, but also to ask for you to pass a resolution opposing the agreement. I look forward to your meeting and I will gladly talk to any of you before if you have questions. I can be reached at 402-689-7461, or at cwa7290r@qwestoffice.net.

Sincerely,

Al Mumm

Al Mumm
President
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Alliance for Retired Americans®

Trans Pacific Partnership (TPP)

Prescription Drugs

Fact Sheet

The United States has concluded negotiations on the Trans Pacific Partnership (TPP) trade deal, and on November 5, 2015, President Obama released the text of the agreement. This started a 90-day period for public review before Congress can take an up or down vote. The agreement contains various provisions that could affect drug prices for all Americans, including seniors. These provisions would block patent reform and jeopardize the government's ability to negotiate lower prices for drugs in public programs like Medicare.

TPP Locks in Patent Protections for Drugs & May Block Future Reform

The United States has been more liberal in granting patents and other forms of regulatory protections to pharmaceutical companies than other countries. The U.S. Trade Representative, at the urging of pharmaceutical companies, succeeded in pressuring other countries to provide the same protections, and set them in stone, as part of the TPP agreement. As a result, the TPP jeopardizes our country's ability to change its own rules on patents in the future, which will increase the prices consumers pay.

Exclusivity for biologics: In the United States, the exclusivity period for biologics – drugs used to treat various types of cancer and other chronic conditions like rheumatoid arthritis and multiple sclerosis – is 12 years. However, many health advocates and President Obama have endorsed shortening the exclusivity period for biologics to seven years. The final TPP requires parties to provide eight years of "effective market protection." This provision would prevent access to clinical data and registration of cheaper versions of medicines for eight years. While drug companies claim this protection is needed to promote innovation, it will extend drug monopolies at the expense of patient access and limit future reforms the U.S. government can make.

Evergreening: The TPP that would also require countries to grant "evergreen" patents or patent extensions for small changes in the formula, dosage or administration of the drugs, regardless of whether these minor alterations improve the efficacy of the drug, further locking in higher prices for longer periods of time.

TPP Could Limit Cost Control Measures in Public Programs

The federal government, as the administrator of Medicare, works to lower the cost of prescriptions drugs for patients and the government, through rebates, discounts and drug formularies. However, the TPP agreement includes language that puts the interests of drug and medical device companies above those of beneficiaries and taxpayers by providing an opportunity for drug and device manufacturers to seek higher reimbursement rates.

Specifically, it requires countries to make available a review process for health care reimbursement decisions and to follow TPP procedural rules and principles—but the process is not required to be open to the public or to consider alternate views. The vague language in this section provides no assurance that government agencies are protected from a legal challenge. Thus, under this transparency provision, global corporations could contest reimbursement policies through ISDS (see below).

Under this procedure, Medicare could be subject to a challenge by a foreign pharmaceutical company or a foreign subsidiary of a U.S. company. In contrast, citizens concerned about ensuring that Medicare gets the best value for its dollar are not guaranteed any formal role in such a challenge.

Also, this agreement could tie the hands of future Congresses to enact legislation to negotiate drug prices under Medicare or enact a Medicare drug rebate program, which would save Medicare $121 billion over 10 years.

Corporate Rights in TPP Could Supersede U.S. Laws and Courts

The TPP includes investor-state dispute settlement (ISDS). ISDS provides a mechanism for global corporations to sue countries over government measures that, in their view, "unfairly" impact the companies expected future profits. Under ISDS, cases are adjudicated by an international tribunal. The arbitrators in these tribunals do not have to comply with U.S. laws or take into consideration the impact on American citizens, yet their decisions are binding. ISDS gives corporations a new avenue to seek compensation, which often comes at the expense of the public good. Using this mechanism, pharmaceutical companies can reap windfall profits at U.S. taxpayer expense.

ISDS claims are growing in numbers. In 2012 alone, 58 cases were filed. Eli Lilly, a U.S. drug company, is currently using NAFTA's ISDS provision to challenge Canada's decision not to extend patents for Strattera and Zyprexa. Eli Lilly is seeking $500 million in compensation from Canada. The TPP would allow similar challenges against U.S. patent and reimbursement decisions by pharmaceutical companies by extending ISDS to Australia, Japan, and other countries.

11/18/15

TPP Talking Points– November 2015

Fewer jobs, lower wages

- Voting for the TPP means fewer jobs and lower wages for American workers. This is because it fails to address currency manipulation; has incredibly weak rules of origin on autos and auto parts; and fails to level the playing field in terms of state-owned enterprises and labor and environmental standards.

- All the rhetoric being used to pitch the TPP has been heard before. NAFTA and CAFTA were supposed to end undocumented immigration. The Colombia Free Trade Agreement was supposed to solve the long-standing issues of violent repression of labor unionists. And the Korea FTA was going to create 70,000 jobs. Not one of these promises has been fulfilled.

- The evidence from 20 years of the corporate trade agenda is in. Leading economists including Jared Bernstein, Joseph Stiglitz and Robert Reich agree that the TPP—as currently drafted—won't work for working families.

Higher Prescription Drug Prices

- The Alliance for Retired Americans, Doctors Without Borders, AARP and Oxfam America agree: TPP contains extreme patent protections for name-brand pharmaceuticals that threaten to restrict access to cheaper lifesaving medicines in all TPP countries, including in the United States.

- TPP contains a lengthy patent exclusivity period for certain types of drugs – including biologics, special drugs used to treat cancer and arthritis. This will make it more difficult for other companies to manufacture the cheaper generic versions of drugs – leading to higher costs for everyone.

- TPP jeopardizes the government's ability to list and price prescription drugs in public programs, like Medicare, which millions of seniors and disabled people rely on. More specifically, foreign corporations or subsidiaries will be able to challenge Medicare if drug pricing in these programs affects their profits. .

- Finally, TPP could tie the hands of future Congresses to negotiate drug prices under Medicare or enact a Medicare drug rebate program, which would save Medicare $121 billion over 10 years.

- Americans pay the highest prescription drug prices in the industrialized world, and last year drug prices went up by 13 percent. That's more than eight times the rate of inflation in a single year! We think Congress should be working on ways to reduce drug costs, rather than making this problem worse. This is not the time to support an agreement that could further increase drug costs to consumers and the government while lining the

pockets of the pharmaceutical industry.

- The members of the Alliance for Retired Americans will be paying close attention to what our leaders do and so should anyone else who needs Medicare or prescription drugs. Similar to other free trade bills that have been negotiated in secret, TPP is a bad deal for older Americans and working people. We've seen it before. From NAFTA to CAFTA, to the most recent agreements with South Korea and Colombia. Please oppose the TPP. The well-being of America's senior citizens may depend on it.

AFL-CIO's 10 CRITICAL PROBLEMS WITH THE TPP

These critical flaws make the TPP a bad deal for America's working people.

1. **The TPP allows currency-manipulating countries to kill U.S. jobs.** The current TPP text doesn't contain enforceable currency manipulation rules. Countries that intentionally devalue their currency cheat U.S. manufacturers and undermine any benefits from tariff reductions. Enforcing currency manipulation rules is probably the single most effective thing the United States could do to create jobs; in fact, doing so could add as many as 5.8 million jobs.[1]

2. **The TPP lets foreign corporations bypass U.S. law.** The current TPP text allows multinational companies to challenge U.S. laws, regulations and safeguards through a provision called investor-to-state dispute settlement (ISDS), a private justice system that undermines our democracy. Through ISDS, foreign investors can seek compensation from the United States for enforcing regulations and safeguards designed to protect America's working families. In fact, multinational companies currently are using ISDS to attack democratic policies and laws in Australia, Canada, Egypt, Peru and Uruguay, among many others.

3. **The TPP allows climate change to go unchecked.** The current TPP text doesn't contain any enforceable climate change commitments or "border fees" to offset the cost of environment-damaging imports. This undermines our efforts to address climate change and jeopardizes the important U.S.-China bilateral agreement on climate change and clean energy. [2] It does *nothing* to discourage U.S. manufacturers from moving their factories to TPP countries with weak climate regulations. This damages both U.S. jobs and our efforts to address climate change.

4. **The TPP doesn't strengthen international labor rights protections.** There are extensive, well-documented labor problems in at least four TPP countries (Mexico, Vietnam, Brunei and Malaysia),[3] but the administration has not committed to requiring all countries to be in full compliance with international labor standards before they get benefits under the agreement. Worker rights obligations have never been fully enforced under existing free trade agreements, which have provided too much discretion for worker complaints to be delayed for years or indefinitely (e.g., Honduras, Guatemala). A progressive TPP would eliminate this shortcoming, not repeat it. Given that no administration has ever self-initiated labor enforcement under a free trade agreement, any promise to "strongly enforce" the TPP should be met with skepticism.

5. **The TPP could allow public services to be permanently outsourced.** Public services such as sanitation, transit and utilities should be carved out of trade deals—but the TPP puts them at risk. The current TPP text does not ensure that governments can pull out of wasteful and failing public service privatization efforts without shelling out taxpayer dollars or otherwise compensating foreign firms or trading partners.[4]

6. The TPP allows foreign state-owned enterprises to continue to undermine small business. The current TPP text doesn't adequately protect small businesses from the predatory tactics of foreign state-owned and state-subsidized companies. Often, these enterprises benefit from government support and drive their American competitors out of business or put pressure on our companies to ship American jobs overseas. While the TPP contains some limited provisions to address state-owned enterprises, it's not clear it would level the playing field and provide the fast action small firms need to stay in business when faced with unfair competition.

7. The TPP's weak rules of origin benefit China and other non-TPP countries. The rules of origin in the current TPP text are weak and allow China and other nonparticipating countries to reap the agreement's benefits without having to follow its rules. In fact, the TPP's auto content requirement allows the majority of the auto content to be Chinese and manufactured outside the trade agreement's rules. This has the effect of promoting jobs in China while destroying U.S. auto supply-chain jobs.

8. The TPP takes America out of "Buy American." The current TPP text will require the U.S. government to treat Vietnamese, Malaysian and other TPP firms exactly the same as U.S. firms for many purchasing decisions—even when "Buy American" rules apply. This will send U.S. taxpayer dollars overseas and undermine U.S. job creation efforts. The TPP also could mean government purchasing contracts might not be able to include low carbon, "clean hands," living wage or other responsibility requirements in their bids.

9. The TPP gives global banks even more power. The current TPP text could make it even harder for countries facing an economic crisis to stabilize their economies. Not only can large international banks still sue countries in crisis using the "prudential exception," the TPP expands the rights of international banks to use ISDS to challenge bank regulations in front of private tribunals. Giving global banks more power makes another global financial meltdown more likely, not less.

10. The TPP makes affordable medicines harder to find. Quality, affordable and accessible health care is a human right and trade policy should not interfere with public health care choices, nor should it threaten public health. Unfortunately, the current TPP text threatens access to affordable medicines by including new monopoly rights for pharmaceutical companies—delaying competition by affordable generics—and allowing companies more opportunities to interfere with government cost-saving efforts.

We need a trade agreement that works for America's working families. Help us stop the TPP!

- Call your representative and tell him or her to reject TPP unless it's drastically reformed.
- Work with your community to pass a local resolution opposing bad trade deals that threaten jobs and democracy.
- Text TPP to 235246.

1. Robert E. Scott, "Stop Currency Manipulation and Create Millions of Jobs," Economic Policy Institute, Feb. 26, 2014.
2. "FACT SHEET: U.S.-China Joint Announcement on Climate Change and Clean Energy Cooperation," Executive Office of the President, Office of the Press Secretary.
3. "The Trans-Pacific Partnership: Four Countries that Don't Comply with U.S. Trade Law," AFL-CIO.
4. In 2011, the Project on Government Oversight (POGO) compared the costs of federal employees and contractors in a seminal study titled *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*, the first to compare service contractor billing rates with the salaries and benefits of federal employees. POGO determined that "on average, contractors charge the government almost twice as much as the annual compensation of comparable federal employees. Of the 35 types of jobs that POGO looked at in its new report, it was cheaper to hire federal workers in all but just 2 cases."

AFL-CIO