

# The Trans-Pacific Partnership: Seniors Beware

## Your health, food, drug prices, Medicare and Social Security Are at Risk

**T**he Trans-Pacific Partnership (TPP) also known as “NAFTA on Steroids” is poised to become the largest free trade agreement ever. Current negotiating countries account for 38% of the global economy and include the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The TPP has been negotiated in secret — except for 600 corporate advisors who get to see the text and work with the negotiators. The TPP poses a special threat to seniors.

### Less Access to Affordable Care

Big pharmaceutical companies are working hard to insure that the TPP extends their patent based monopolies. This would expand their profits and keep drug prices artificially high. A letter signed by AARP, Consumers Union and 13 other organizations warned that “... the proposals [in the TPP] related to pharmaceutical, biologic and medical device industries could [undermine] access to affordable health care for millions in the United States and around the world.” Other countries will also be impacted. Doctors without Borders stated that “the TPP agreement is on track to become the most harmful trade pact ever for access to medicines in developing countries.”

### Higher Drug Prices

AARP warned that the TPP could lock in higher prices for popular drugs and undermine public programs like Medicare and Medicaid. For example, biologics (drugs developed through biological processes) are used to treat a variety of ailments including multiple sclerosis, rheumatoid arthritis and different forms of cancer. Annual costs for such drugs can reach \$400,000. These high prices reflect the drug makers’ 12-year exclusive right to the test data which makes it very difficult for generic versions to enter the market. The Obama administration’s budget has proposed a reduction of the exclusivity period to 7 years which would generate more competition, lower prices and significant savings for Medicare and Medicaid. Unfortunately, a leaked document shows that the TPP includes the 12-year period which would prevent Congress from adopting a shorter time frame because a trade agreement takes precedence over domestic laws.

### Medicare and Medicaid Threatened

AARP has also warned that the TPP could undermine public programs like Medicare and Medicaid. For example, the TPP would prevent \$3.8 billion in savings because it would prohibit a reduction of the period during which big drug companies have ex-

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clusive rights to biologic test data. The TPP would also allow medical device corporations to actually patent surgical methods leading to increasing costs for Medicare and Medicaid. Consumers Union and 10 other groups stated that the TPP places the following policies at risk

- Medicare Part D discounts for those who fall in the donut hole
- Use of preferred drug lists by state Medicaid programs
- Medicaid prescription drug rebates
- Mechanisms that discourage the use of costlier treatments that are no more effective than existing

### **Tainted Food**

The TPP would allow foreign corporations the right to challenge our food standards, labeling programs and specific-pesticide regulations. The FDA has already detained hundreds of seafood exports from TPP countries due to salmonella, e-coli, methyl-mercury, and drug residues such as chloramphenicol which causes a lethal blood disorder and is banned in the U.S. Many more tainted food products will slip into the U.S. because the TPP will greatly expand the quantity of food exported to the U.S. — further swamping an FDA that is only able to inspect 1-2% of food imports under current conditions. There are also health-related problems with dairy and meat products exported from TPP countries.

### **Loss of jobs and Social Security revenue**

Globalization and previous trade deals have eliminated 6.8 million U.S. manufacturing and service sector jobs. This has removed \$600 billion in wages from our economy resulting in an annual loss of \$37 billion in Social Security revenue per year. The TPP will speed up this race to the bottom — after all, corporations will tend to offshore investment and jobs to countries like Vietnam which has a minimum wage of only 28 cents an hour — just 4% of our minimum wage.

### **Undermining U.S. sovereignty by allowing foreign corporations to challenge our laws before international tribunals**

The TPP creates a special dispute resolution process that gives foreign corporations the right to challenge any domestic laws that could adversely impact their “expected future profits.” These challenges would be heard before special UN and World Bank tribunals which could require taxpayer compensation to the corporations. This process undermines our sovereignty and subverts democratically passed laws including those dealing with health, drugs, food safety, labor and the environment.



**WHAT YOU CAN DO TO PROTECT  
YOUR HEALTH AND RETIREMENT**

**[www.stoptheTPP.org](http://www.stoptheTPP.org)**

**CWA**

**Communications Workers of America**