



the **TRANS-PACIFIC PARTNERSHIP**

The Trans-Pacific Partnership (TPP) levels the playing field for American workers and American businesses, leading to more Made-in-America exports and more higher-paying American jobs here at home. By cutting over 18,000 taxes various countries put on Made-in-America products, TPP makes sure our farmers, ranchers, manufacturers and small businesses can compete—and win—in some of the fastest growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods and services and support American jobs.



Ensuring Fair Competition with State-Owned Enterprises

TPP’s State-owned enterprises (SOE) rules take on a new and growing challenge in international trade and investment. While fully respecting the important role SOEs play in the United States and elsewhere, TPP ensures that foreign governments will not use these enterprises to gain unfair advantages over private American businesses and their workers. These ground-breaking provisions will create worldwide precedents that can help ensure fair competition in the global economy of the future.

HOW TPP ENSURES FAIR COMPETITION WITH STATE-OWNED ENTERPRISES

TPP helps ensure fair competition by making SOEs operate on commercial grounds, increasing transparency, and requiring regulatory fairness. This is the first trade agreement to include this scope of rules on SOEs. TPP requires TPP countries to:

- **Ensure that SOEs make commercial purchases and sales on the basis of commercial considerations**, except when doing so would be inconsistent with any mandate requiring an SOE to provide public services (for example, as the U.S. Postal Service does).

- **Ensure that SOEs that receive subsidies do not have an advantage or undercut U.S. private firms.** If they do, we will for the first time in a U.S. trade agreement, have the ability to initiate dispute settlement and impose trade sanctions.
- **Regulate SOEs and private companies in an impartial manner**, without providing preferential treatment to local SOEs.
- **Ensure transparency** by publishing complete lists of national SOEs and, upon request, sharing information about government ownership, control, and non-commercial assistance to SOEs.
- Ensure that national courts have **full jurisdiction over foreign SOEs located within their territory**, so that they cannot avoid national laws through claims of sovereign immunity.
- **Make all SOE provisions fully enforceable through state-to-state dispute settlement.**
- Ensure that—for the first time in a U.S. trade agreement—**intellectual property enforcement remedies are available with respect to state owned enterprises**, consistent with international disciplines.



- SOEs ranging from steel companies to telecom monopolies to energy companies **are increasingly competing with U.S. businesses and workers on a global scale.**
- TPP is the first U.S. trade agreement to ensure that **private sector businesses and workers are able to compete fairly** with SOEs.
- In many cases, **SOEs can distort global markets and compete unfairly** by blocking U.S. exports, undercutting U.S. companies with cheap subsidized imports, or exploiting preferential regulatory treatment.
- TPP ensures that SOEs in TPP countries compete fairly in their market and ours, **making purchases and sales on the basis of the market**, rather than on the basis of government interference, subsidies or discriminatory policies.
- TPP ensures that SOEs operating in the U.S. or other TPP members **cannot claim legal privileges reserved for governments to avoid regulation applied to private companies.**
- At the same time, TPP ensures that **U.S. SOEs providing public services continue to operate without interference.**

What's in the Trans-Pacific Partnership?

Learn everything you need to know about what's in the deal and who it helps.

WWW.USTR.GOV/TPP