

## The Trans-Pacific Partnership: TPP’s Relationship to Existing Agreements and Entry Into Force

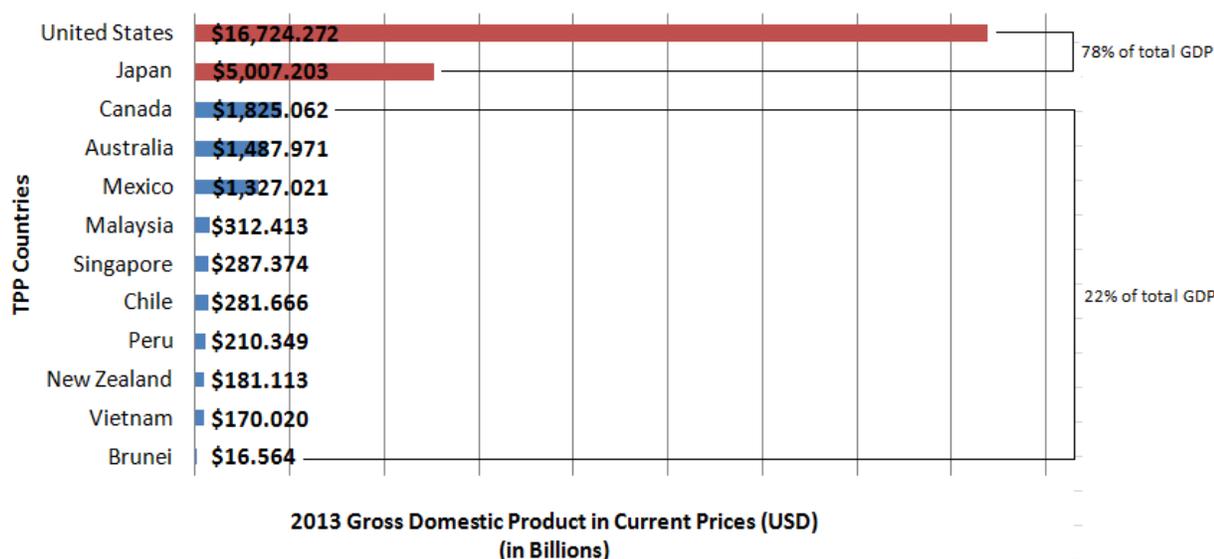
### How Does TPP Deal with Existing Agreements between Its Members?

The TPP does not terminate any existing agreements between its member countries – those agreements remain in place. The United States already has in place trade agreements with 6 of the 11 other signatories: Australia, Canada, Chile, Mexico, Peru, and Singapore. In addition, all of the TPP countries are WTO members with a range of existing obligations under various WTO agreements. In some cases, the TPP broadens and improves upon commitments made in the existing trade agreements. In these cases, the new obligation supersedes the old one.

### When Will TPP Actually Become Effective?

While no one can say for sure what that date will be, there is a process to determine that date. First, the TPP will not be effective (known as “enter into force”) between the United States and another TPP country until the United States is certain that the other country has taken all necessary steps to implement its obligations under the TPP. The Office of the United States Trade Representative (USTR) will certify to the Congress that this has occurred with each TPP member before entry into force can occur with that other country. Second, the TPP will not become effective until a “critical mass” of TPP members can state that their domestic legal procedures for ratification of the TPP have been completed. If all 12 countries have not ratified the agreement and made the necessary changes to their domestic laws within two years of the date of signature, then six of the original signatories, meeting a certain GDP benchmark, will be required for the TPP to enter into force.<sup>1</sup> The chart below shows how the 2013 GDP data is used to calculate this benchmark.

**2013 GDP of the TPP Countries**



Source: [International Monetary Fund](http://www.imf.org)

<sup>1</sup> The “benchmark” is calculated as follows: The six countries must together account for at least 85 percent of the combined gross domestic product (GDP) of the original signatories in 2013. The GDP data is to be based on IMF data using current prices in U.S. dollars.

This provision ensures that the larger TPP economies, such as the United States and Japan, will have completed their domestic approval procedures before any other TPP country can start gaining the benefits from the TPP. As a practical matter, and assuming it takes at least two years for most TPP members to complete ratification, USTR will have to certify to the Congress that Japan and four other TPP members have implemented their TPP obligations before the TPP could enter into force.

### **How Will TPP Countries Monitor Commitments that Have Transition Periods?**

Once entry into force has occurred, the TPP contains a number of commitments (known as “transitional measures”) that phase in over time. For these transitional measures, the agreement contains a new feature -- a mechanism to ensure that member countries are making progress towards implementing any obligations for which they have a transition period. Most importantly, the mechanism provides for an “early warning system” if implementation is not progressing, allowing the other parties to offer capacity-building to the party which has not fully implemented the commitment.