

United States Senate

October 5, 2021

The Honorable Katherine Tai
U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Tai,

I write to express my concerns about China's interest in joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). China reportedly sent a formal notice on September 16th to New Zealand requesting to join the pact.¹

As you know, the CPTPP is an 11-nation trading pact between market economies from around the Pacific Rim. China comes nowhere close to complying with CPTPP's standards on state-owned enterprises, intellectual property, labor, the environment, and many other areas. Its policy of economic warfare against market economies stands in stark contrast to the general practices of the participating nations. China's entry into the CPTPP would reward the state-sponsored theft and economic coercion that has been a hallmark of the Chinese Communist Party. For example, the 2004 theft of Canadian company Nortel's intellectual property by Chinese hackers ended with the bankruptcy of Nortel, a company that was one of the world's preeminent fiber optic data transmission systems producers. Market economies should decouple themselves from communist China, not encourage Beijing's malign behavior with more market access.

For these reasons, one would expect that the CPTPP nations—which include several strong U.S. allies and partners—will swiftly reject China's cynical bid for membership. But we know China is not above using economic coercion, kidnapping, and bribery to achieve its objectives. Moreover, China's membership in CPTPP would have major consequences for the United States, as China effectively would be able to free-ride off of the duty-free access that CPTPP members have to the U.S. market through our own free trade agreements.

Fortunately, you are in a position to take action. As you know, the United States-Mexico-Canada Agreement (USMCA) includes a provision that requires any member of the USMCA to notify the other members if they intend to enter into free trade agreement (FTA) negotiations with "non-market" economies. Further, the pact allows USMCA parties to terminate the agreement within six months if any member enters into an FTA with a non-market economy.² As CPTPP members, Canada and Mexico have the power to veto China's accession to the agreement. And under Article 32.10 of the USMCA, each would be required to formally notify the United States three months before negotiations on China's accession begin and provide us with information about the negotiating objectives. The United States should use the leverage we negotiated in

¹ "China Applies to JOIN Trans-Pacific Trade Pact to Boost Economic Clout," CNBC (CNBC, September 17, 2021), <https://www.cnbc.com/2021/09/17/china-applies-to-join-trans-pacific-trade-pact-to-boost-economic-clout.html>.

² U.S. Library of Congress, Congressional Research Service, *The United States-Mexico-Canada Agreement*, by M. Angeles Villarreal and Ian F. Fergusson, R44981 (2020).

about the negotiating objectives. The United States should use the leverage we negotiated in USMCA to encourage our trading partners to reject China's application and to support them in resisting any pressure tactics China may employ against them.³

I urge you to remind Canada and Mexico of their obligations under the USMCA. I further request that you to notify them that the United States will use all mechanisms available to us in the USMCA to ensure China not be allowed to join the CPTPP.

I would also note that on October 4th, during a question-and-answer session at the Center for Strategic and International Studies, you were asked, "are you going to block China joining the CPTPP?" While you refrained from directly answering the question at that time, I request that you clearly state your position in your response to this letter.

Sincerely,



Tom Cotton
United States Senator

³ U.S. Library of Congress, Congressional Research Service, *U.S. Withdrawal from Free Trade Agreements: Frequently Asked Legal Questions*, by Brandon J. Murrill, R44630 (2016).