

COMMENTS OF R. THOMAS BUFFENBARGER, INTERNATIONAL PRESIDENT,  
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(IAM) ON U.S. TRADE POLICY AND FAST TRACK AUTHORITY  
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The IAM represents several hundred thousand active and retired members in North America. Our members work in a variety of industries, including, aerospace, transportation, shipbuilding, woodworking, defense, and electronics to name a few. IAM members design, build, assemble and maintain the goods and services that keep the U.S. economy growing, and that keep the U.S. safe and secure. Our members produce goods and services that are exported all over the world. While we believe in global trade and have seen first-hand its benefits, our members have also felt its harsh impact. We dream of a global economy that works for U.S. workers as well as workers throughout the world. Sadly, we have a long way to go in order to make this a reality.

For U. S. aerospace workers whose jobs have moved to Mexico or China; for over 1,000 Bangladeshi apparel workers who died at Rana Plaza while earning roughly 18 cents an hour; for enslaved children working on cocoa plantations in the Ivory Coast; or, or for the millions of people who work every day for wages that are below the poverty level, the global economy has failed them.

Our nation's trade policy has contributed to this failure. It has led to trade agreements with countries like Mexico, which continues to persecute the Mexican trade union leader, Napoleon Gomez. It has led to agreements with South Korea, where we have lost several thousand jobs so far, and it has led to the trade agreement with Colombia, where despite a Labor Action Plan, trade union activists still fear for their lives.

Our national trade policy is leading us once again into a future where U.S. workers have no future. As I speak, reports continue to circulate that negotiators are approaching agreement on a new trade deal, the Trans-Pacific Partnership, also known as "TPP". The U.S. along with 11 other nations, including Viet Nam and Brunei will try to form a trade block that we believe will be based on NAFTA's failed policies. If it is finalized the dream of a global economy that works for the world's workers will become even more distant. If TPP is implemented, U.S. manufacturing may well find itself on the endangered species list.

Soon, the full court press will be on to pass TPP. Proponents of TPP will want to side-step criticisms and concerns about the deal through the old framework of Fast Track by limiting Congressional authority to review the deal. They will claim how the agreement will benefit our nation and support the creation of thousands of jobs. They will also argue that if we don't join the pact, we will get left behind. And they will undoubtedly, resurrect their ridiculous claim that anyone who criticizes Fast Track Authority and the TPP is anti-trade.

They could not be more wrong. We are painfully aware how Fast Track Authority in the past has been a precursor to trade agreements with Mexico, Colombia and South Korea that have wreaked havoc on U.S., Mexican and Colombian workers. The Fast Track Authority that was critical to

these trade agreements is very much a part of our nation's failed trade policy—a trade policy that is long over-due for a major overhaul.

The IAM firmly believes in a 21<sup>st</sup> century trade policy that focuses on workers and their communities, not the bottom line profit sheet of U.S. corporations who have no loyalty to the workers that made them so profitable. The 21<sup>st</sup> century trade policy that we believe in does not merely pay lip service to jobs when it is politically convenient—but will in fact lead to the creation and maintenance of good jobs across industries, sectors and geographical locations.

The 21<sup>st</sup> century trade policy that we advocate will not tolerate back room deals which depend on keeping critical information from the public. It also will not grant foreign investors greater rights than domestic companies and will in no way interfere with national and local government's ability to protect our health, worker safety, and social standards. It will make certain that no signatory country will manipulate its currency. And last, but not least, our 21<sup>st</sup> century trade policy will once and for all mandatorily require that countries who want to be part of a trade agreement with the U.S. recognize and effectively enforce fundamental human rights, which include labor standards defined by the ILO's Conventions, before they are eligible to sign a trade agreement with the United States.

As I have just mentioned, it cannot be business as usual when negotiating trade deals. We continue to urge Congress to consider undertaking the following activities:

1. **Learn from our past mistakes.** Let's face it. Grandiose predictions that trade agreements will support hundreds of thousands of U.S. jobs have been wrong. We need to learn where we have been before deciding where we need to go. Isn't it time that we at least study the actual impact that trade agreements are having on all U.S. workers before we consider yet another trade deal?

We can start by fixing the method that our government uses to predict the number of jobs that will be impacted by trade agreements. That method has been wildly inaccurate. Just ask any manufacturing worker whose job has moved to Mexico or whose wages have been kept low under the threat that his or her job will move to Mexico. They would be the first that would question the accuracy of the prediction that NAFTA would support 200,000 jobs, because chances are high that their job was one of the nearly 700,000 U.S. jobs that were lost to Mexico.

Wrong estimates don't just involve NAFTA. According to the government, the U.S.-South Korea Trade agreement would support 70,000 U.S. jobs. In reality, according to the Economic Policy Institute, based on the trade deficit with South Korea during the first year after it was implemented, the agreement cost the U.S. at least 40,000 jobs, most of them in manufacturing.

Any impact study must be straightforward, reliable and provide specific information on each trade agreement's impact on U.S. jobs, by industry, geography, wages, and benefits. This precise information cannot be gleaned by merely estimating job numbers from export valuations the way it is currently done. Congress and the American people have every right to know how trade agreements have been and will be affecting their jobs.

2. **Congress must assert its role in choosing our trade partners.** Congress should define specific conditions that must be met for any potential trade agreement partner. These conditions should include a number of factors, including an examination of whether a country currently recognizes and enforces fundamental human rights, like the right to form a union and engage in collective bargaining, reflected by ILO Conventions and jurisprudence. It should also include basic information on whether a country manipulates its currency, violates environmental standards, uses subsidies, or demands transfers of production and technology to implement its own industrial policies.
3. **Negotiation objectives laid out by Congress must be mandatory and certified.** Current Fast Track Authority simply lists negotiation objectives without any requirement that each objective be met. If negotiation objectives are not met, like at long last a labor chapter that is based on ILO Conventions and jurisprudence, then the deal should not be eligible for Fast Track Authority. Signatory countries must also certify that they have met all of the requirements provided under the trade agreement prior to passage. There is simply no excuse that Colombia was able to sign onto to an agreement while human rights violations continued. Each member of Congress and relevant committee should have a significant role in determining negotiating objectives.
4. **Negotiations must be built on transparency.** Due to the expedited nature of Fast Track, it is important that private groups have an opportunity to provide their advice on proposed trade agreements. While most members of the public are not privy to specific areas of trade negotiations, USTR relies on the Trade Advisory Committee system to obtain advice from individuals in the private sector.

The Trade Act of 1974 sought to achieve a mechanism for creating a strong and unified national trade policy by providing opportunities for diverse trade impacted groups to engage in meaningful and effective consultations with government officials. Unfortunately the Trade Advisory Committee system is failing miserably to achieve this goal. Groups like labor have either been under represented or not represented at all in the advisory committee system.

The most seriously deficient level of the trade advisory system is the third tier level concerning technical and detailed sectoral industrial matters. Indeed, despite statutory language indicating otherwise, not one labor representative is a member of the 16 Industrial Technical Advisory Committees, known as ITACS. For that matter, not one labor representative has been selected to serve on the Manufacturing Council and no representative from a manufacturing union participates on the President's Export Council.

The Federal Trade Advisory Committee system is instrumental in providing a mechanism for the private sector community to advise our trade negotiators on general and specific areas of trade. It is particularly critical in view of how fast track authority has been delegated to the administration. The exclusion of labor from ITACS should no longer be

tolerated. If it does continue, it will be to the detriment of the development and implementation of our nation's trade policy. This is something we cannot afford.

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Our old trade policy is broken beyond repair. U.S. workers and their communities deserve so much more than the empty promises of past and proposed trade deals. They need immediate action that will result in good and decent jobs here at home. The stakes have never been higher to get it right. Resurrecting the old framework of Fast Track Authority is not needed, not wanted and will make it easier to continue the failed trade policies of the last century. With reports that TPP is nearing completion, and our steadfast opposition to it, this may very well be our last opportunity to save U.S. manufacturing and ensure a sustainable and prosperous future for the next generation.