

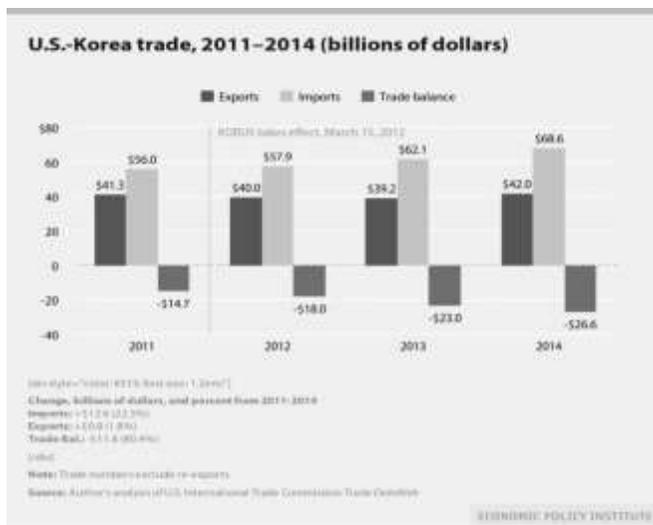


Trade

Background: The United Steelworkers (USW) is a diverse union, representing more than 850,000 members working in every facet of the economy whose jobs are dependent on commerce: the flow of goods, services and trade. Ensuring workers and communities thrive under US trade policy is critically important after decades of soaring trade deficits caused by previous free trade agreements. Yesterday's trade agreements and policies are inadequate for a 21st Century economy where **State-Owned Enterprises (SOEs)** directly compete with private companies, where **non-tariff barriers** keep domestic manufacturers from exporting, and where **currency manipulation** by foreign countries can evaporate the profit margin of domestically manufactured products. The unfortunate results of these failed trade policies are easily seen as the USW has fought against unfair trade and for anti-dumping (AD) and countervailing duty (CVD) tariff relief from illegally dumped and subsidized goods. **But to win cases against unfair trade, our trade laws say we must first lose jobs** and the job impacts are striking:

- Over 6,000 steelworkers in the steel industry have been laid off or have received layoff notices in the last few months. This includes workers laid-off due to a flood of Oil Country Tubular Goods (OCTG) from Korea and other countries, even after a successful AD/CVD case – but now including almost every steel product line.
- The number of production workers at **Passenger Vehicle and Light Truck (PVLТ) tire** facilities across America has gone from 33,390 workers in 2011 to 28,254 in 2014 – a decrease of over 5,000 workers. Meanwhile, PVLТ tires from China have increased from 24 million to over 50 million in the same three year period of time. A USW led trade case is before the International Trade Commission (ITC).
- 2,500 U.S. workers have lost their jobs making uncoated free-sheet paper, another trade case before the ITC.

America's manufacturing base and the supporting services and local government jobs dependent on an industrial tax base are under assault from unfairly traded goods and a lack of meaningful enforcement or remedies. Our jobs and communities are also at risk from trade agreements that have not done enough to boost manufactured good exports while a tidal wave of imports destroys our manufacturing base. The U.S. is running unprecedented trade deficits, totaling more than \$8 trillion since 2000 alone.¹ Trade deficits cost jobs.



The last free trade agreement completed in 2012 between the U.S. and Korea (KORUS) has not produced positive results for working people in the U.S. In the first three years after KORUS took effect, U.S. domestic **exports to Korea increased by only \$0.8 billion, an increase of 1.8%. Imports from Korea increased \$12.6 billion, an increase of 22.5%.** As a result, the U.S. trade deficit with Korea increased \$11.8 billion between 2011 and 2014. That's an increase of 80.4%, nearly doubling in just three years. This trade deficit translates into job losses. Conservate estimates place job loss from KORUS at 75,000 U.S. jobs.

The USW calls on Congress to revitalize our manufacturing base by reforming our trade laws and rebalancing trade away from the profits of a few. Trade agreements and implementing policies must benefit all segments of the economy.

Fast Track or Trade Promotion Authority (TPA): By passing Fast Track, Congress gives up its duty to represent their constituents and instead, gives their Constitutional authority to properly review and amend trade deals to the current Administration and potentially, to the next President. Trade agreements affect every aspect of our lives and require

¹ http://www.washingtonpost.com/opinions/trans-pacific-partnership-treaty-will-help-neither-workers-nor-consumers/2015/03/31/145e98ba-d727-11e4-ba28-f2a685dc7f89_story.html

more than just a rubber stamp by our elected leaders; Congress needs to do its job and make sure trade agreements are good for America's workers. **That is why every union of the AFL-CIO as well as the National Education Association (NEA), SEIU, ILWU, the United Brotherhood of Carpenters and the Teamsters oppose Fast Track.** Over the past three years we have been advocating for many improvements to the process to approve trade deals, including:

Congressional selection of appropriate trading partners: Trading partners must meet specific criteria in human, labor and environmental rights.

Mandatory negotiating objectives so that agreements deliver benefits to America's workers: Congress must be able to add objectives on what must and must not be included in a trade agreement (like currency manipulation, improved labor and environmental standards, and increased domestic content provisions). If these objectives are not met, Fast Track or expedited votes on trade agreements should be prohibited.

Consultations with Congress and the public: Our elected representatives and their staff must be able to view proposed and negotiated text and all other relevant information to ensure transparency.

Expanded enforcement mechanisms and tools to enhance the competitiveness of U.S. industries: The package should address shortcomings in current trade law that will speed up relief and more effective enforcement as well as include provisions to take action on currency manipulation under countervailing duty laws.

Trans-Pacific Partnership (TPP): The TPP is the first agreement negotiated solely by President Obama. It links the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam together in a free trade agreement. The TPP is supposed to be a model for all future trade agreements and is expected to grow over time as new countries like China and South Korea seek to join; therefore it is absolutely critical that this agreement be done right. **Providing Fast Track for the TPP before Congress sees the agreement would be premature and reckless.**

There are many aspects of the TPP that merit grave concern like the rights and privileges given to investors that make it safer for companies to move production overseas to low-wage, labor and human-rights-violating countries like Vietnam. Concerns about market access, government procurement, outsourcing of services and other changes that can affect anything from financial regulations to food safety are all important. USW has been as actively involved in the negotiating process as U.S. law allows, but has concentrated on areas that directly impact manufacturing and our jobs, outlined below.

State Owned Enterprises (SOEs): Companies controlled by governments like those in China, Vietnam and Malaysia have a competitive advantage over private companies. TPP must have strong rules to force SOEs to operate under the same rules as private companies and allow timely responses if SOEs injure workers and their companies.

Rules of Origin (ROO): The domestic content of a product within trade agreements is critical to ensure products entering the U.S. under a free trade agreement are actually built and constructed in the trading partner's home country. Since NAFTA, which required 62.5% of a product be made in the U.S., Canada or Mexico to get special treatment, the U.S. has negotiated lower and lower domestic content requirements. Korea only had a 35% domestic content rule. By lowering domestic content standards, non-FTA trading partners like China also benefit from these agreements. These low standards must be raised in the TPP or U.S. workers will continue to be adversely impacted.

Currency: Currency manipulation is a major concern of the USW. It is estimated that ending currency manipulation would create up to 5.8 million net jobs. China, Japan and many other nations manipulate their currencies for trade advantages. The trade advantage essentially imposes a tax on U.S. exports into foreign markets and subsidizes imports into the U.S. market. Future trade agreements must contain enforceable provisions to ensure currency manipulation is stopped and domestic companies and workers can seek relief under our trade laws.

The negotiations for the TPP will impact millions of workers in the U.S. The USW challenges Congress to engage in the process to make sure that unlike previous trade agreements, future trade agreements have enforceable labor chapters, reduce the influence of SOEs, ensure the goods we import have high rule of origin levels and prevent currency manipulation. **Congress must work to ensure trade agreements maintain and create good jobs in the U.S. and Congress must oppose any agreement which fails to meet those goals.**

