



Oppose the Trans-Pacific Partnership

There has been an awakening in the American public regarding imbalanced trade agreements including the **Trans-Pacific Partnership (TPP)**. Recent polls show that over 70 percent of Americans feel that elected officials have let the United States “fall behind” other countries that don’t play by the rules because they won’t stand up and do anything about it.¹

USW members, their families and communities know the impact of bad trade deals, from the over 13,500 steel workers laid off across the steel industry to the 1,400 USW members at Carrier receiving notice earlier this year that their company was moving their jobs to Mexico just to pay lower wages.² The ripple effects of job losses like this are then felt throughout the communities they affect, from the pizza parlor to schools and hospitals and the local government – no one is immune to the effects of bad trade deals.

The TPP would link the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam together in a free trade agreement. **USW joins a united labor movement in opposition to the TPP.** Below are just a few of the critical reasons USW opposes the TPP.

- The TPP would dramatically increase job loss in our nation’s manufacturing sector. Already, the U.S. trade deficit with the TPP countries cost two million jobs in 2015, with job losses in every state.³
- The TPP’s rules of origin (ROO) in autos and auto parts would allow China to provide a majority of a car’s parts. 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 partners’ home countries. For example since NAFTA, which required 62.5 percent of a product be made in the U.S. in order for Canada or Mexico to get special treatment, the U.S. has negotiated lower levels of domestic content to qualify for duty free status under subsequent trade agreements. The TPP ROO is only 45 percent but can be as low as 35 percent for auto parts.⁴
- The TPP would not stop currency manipulation. Currency manipulation occurs when a country artificially lowers the value of its money, providing a trade advantage. The practice essentially imposes a tax on U.S. exports into foreign markets and subsidizes imports into the U.S. market. The limited discussions in the TPP are insufficient compared to enforceable standards in other chapters of the TPP.
- The TPP would fail to stop state-owned enterprises (SOE’s) from receiving government support and protection and does nothing to protect U.S. workers from companies here that are supported by foreign governments. Companies controlled by governments similar to those in China, Vietnam and Malaysia have a competitive advantage over private companies.

¹ <http://www.steel.org/~media/Files/AISI/Press%20Releases/2016/STEEL%20POLL%20-%20KEY%20FINDINGS.pdf?la=en>

² <http://www.usw.org/video/carrier-corp-moving-1400-jobs-to-mexico>

³ <http://www.epi.org/publication/trans-pacific-partnership-currency-manipulation-trade-and-jobs/>

⁴ <http://www.bilaterals.org/?tpp-rule-of-origin-is-45-for>

- The TPP would result in foreign workers continuing to suffer violations of their rights since protection provisions are still limited. The plan negotiated with Vietnam allows them to receive up to seven years of reduced tariff benefits while still violating worker and human rights. Negotiators failed to get Mexico to agree to specific and much-needed reforms in its labor laws and there is not even a labor “contingency” plan like in Vietnam. There is no formal plan to ensure that U.S. engagement and enforcement in this critical area would change at all.
- The TPP would give foreign corporations greater substantive and procedural rights than domestic firms to challenge government policies intended to protect the public interest. Corporations may potentially receive taxpayer compensation under investor-state dispute (ISDS) resolution provisions when they challenge domestic laws.

In the fourth quarter of 2015, imbalanced trade led to a decline - a quarter (.25) of a percentage point - in the U.S. gross domestic product (GDP), the basic measure on the health of a country. This decline restricted U.S. growth to a tepid one percent annual rate.⁵ The TPP will only lead to further economic decline. Congress must reject the TPP and work to create a trade regime that works for all communities. We as a country cannot continue to let imbalanced trade agreements and an ongoing trade deficit steal jobs, hinder growth and undermine wages. Workers, our children and our communities demand better.

USW urges opposition to the TPP.

⁵ <http://www.reuters.com/article/us-usa-economy-trade-idUSKCN0W61KG>