International
Association of
Machinists and
Aerospace Workers



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OFFICE OF THE INTERNATIONAL PRESIDENT

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Dear Senator.

I write to urge you in the strongest possible terms to reject the recently introduced Fast Track bill euphemistically entitled the Congressional Trade Priorities and Accountability Act of 2015. The International Association of Machinists and Aerospace Workers (IAM) strongly opposes the fast track approval process, which is being sought to force the nearly complete, yet still secret Trans-Pacific Partnership (TPP) through Congress. Fast Track and the TPP represent the same old corporate driven approach to trade that has cost America hundreds of thousands of good paying jobs. If approved, the Fast Track bill will undermine Congressional authority to review trade agreements and could lead to passage of the TPP, threatening hundreds of thousands of more U.S. jobs, our national economy and local communities that are still recovering from the economic recession.

The Senate Fast Track legislation is an insult to all U.S. workers. It merely rehashes prior Fast Track bills that have stripped Congress of its Constitutional responsibility to oversee U.S. trade policy. Under the proposed Fast Track legislation the President can still unilaterally select trading partners and determine when to enter into negotiations. Congressionally defined negotiating objectives are wholly inadequate, especially the objective on human rights which only pays lip service to what the real objectives of negotiations should reflect. Further, the negotiating objectives remain unenforceable. The President, not Congress, determines whether those objectives have been met, and, historically, both Democratic and Republican administrations have simply ignored Congressional negotiating objectives. For the nearly completed TPP, the largest free trade agreement the U.S. has ever negotiated, the negotiating objectives come too late to have any meaningful impact on the negotiations. Given the status of the TPP, the provision that would require the USTR "to develop within 120 days of enactment written guidance on enhanced coordination with Congress" is particularly galling. Finally, after an agreement has been finalized and signed by the President, Congress is merely left with an up or down vote.

Negotiated behind closed doors and without a full and open debate by the American people on the content of the agreement, the TPP goes far beyond traditional trade issues like tariff reduction. While the text has still not been made public, leaked texts indicate that the TPP seeks to undue the financial reform measures of Dodd-Frank, end Buy American requirements and other governmental procurement practices, and undermines current U.S. regulations covering such areas as food safety, the environment, and patent and copyright law.

The TPP covers a broad swath of nontariff issues, and, if based on the failed May 10th template, would not require countries that lack fundamental labor rights, like Vietnam, Malaysia, and Brunei, to end their authoritarian human rights abuses. The agreement would

also fail to correct notorious defects in the labor chapters of free trade agreements with Mexico and the infamous situation of Columbia where over one hundred trade unionists have been brutally murdered since the enactment of the so-called Labor Action Plan. While the Investor State Dispute Settlement (ISDS) scheme gives multinational corporations the extraordinary right to directly sue governments before secret tribunals for monetary damages over the perceived effects of domestic regulations, workers and labor unions would not be afforded a similar ability to redress labor rights violations. Instead, unions are left with a tedious, slow and ineffectual process as demonstrated by multiyear complaint and investigation in Guatemala.

Disturbingly, the administration has also indicated that one of the most serious issues affecting Pacific Rim trade, currency manipulation by our competitors, will not be addressed in the TPP.

Historically, Congress has relinquished its Constitutional authority over trade for the most egregious free trade agreements, like NAFTA, which have had a devastating impact on U.S. workers, the manufacturing sector, and our communities. Since NAFTA was implemented, hundreds of thousands of high wage U.S. jobs have been lost to Mexico. The NAFTA job loss continues even now as Caterpillar is to begin the transfer of production from its Joliet, Illinois facility to a factory in Mexico. This will add to the thousands of jobs that have already been lost to Mexico. Most recently Fast Track was used to pass the Korea-U.S. Free Trade Agreement. The free trade agreement with Korea was sold on the promise of expanded exports to that country. Unfortunately, our worst fears have been realized. Not only have imports from Korea increased, but our exports to Korea have fallen in every month since the passage of the FTA. According to data from the U.S. International Trade Commission (USITC), in just three years our goods trade deficit with Korea has grown 84 percent, or \$12.7 billion, which is estimated to have caused the loss of 85,000 American jobs.

For the TPP, the USITC currently projects that over the next decade America's trade deficit with TPP countries in light and heavy manufacturing will increase by nearly \$33 billion and our deficit for automobiles and transport equipment will increase by \$23 billion. Simply put, an increased trade deficit means a shrinking manufacturing sector and a loss of American jobs. Given this looming job loss from the TPP, the proposed funding of the Trade Adjustment Assistance (TAA) program at \$450 million per year is seriously inadequate. As recently as 2009 and 2010 TAA expenditures exceeded \$575 million and, if the TPP is enacted, TAA spending will certainly reach new levels.

For the last six years the IAM has worked with Members of Congress and other interested parties to craft an alternative ratification process to the antiquated fast track authorization first designed by President Nixon. An authentic ratification process for a trade agreement would provide for real Congressional oversight of the entire negotiating process, including the selection of countries with which we would enter into negotiations with, as well as the development of enforceable negotiating objectives. Additionally, the process would be transparent and open and include real input from all sectors of the American public and not just from corporate interests as happens now.

As the leading aerospace union in North America, IAM members proudly manufacture products that are exported to countries around the globe. The IAM strongly believes that our trade negotiations and agreements must be open and transparent and reflect the interests of all Americans. This means meaningful and enforceable labor and environmental standards, access to safe and affordable medicines, high quality food and product safety standards, as well as a rejection of the secret trade tribunals that give multinational corporations the ability to sue sovereign governments over domestic regulations.

For working Americans our corporate driven trade policies have meant the continual threat of outsourcing, stagnant wages, and declining living standards. This will not change until deeply flawed free trade agreements like the TPP are negotiated not in the back room, but in the light of day. Additionally, we must not allow secret trade agreements like the TPP to be railroaded through Congress. I urge you to put America on the right track to renewed prosperity by rejecting the failed fast track process proposed, once again, in the misnamed Congressional Trade Priorities and Accountability Act of 2015.

If you have any questions, please contact Legislative Director Hasan Solomon at (301) 967-4575.

Sincerely,

R. Thomas Buffenbarger International President

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