

Comments on Proposed Trade Pillar of the Indo-Pacific Economic Framework (IPEF)

**Submitted by the International Association of Machinists and Aerospace Workers
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We appreciate the opportunity to provide some comments on the proposed “Fair and Resilient Trade Pillar” in the proposed Indo-Pacific Economic Framework (IPEF). The International Association of Machinists and Aerospace Workers (IAM) is one of the largest and most diverse industrial trade unions in North America, representing approximately 600,000 active and retired members in the aerospace, defense, airlines, railroads, manufacturing, transit, healthcare, automotive and other industries.

The IAM appreciates the opportunity to be engaged with the Biden administration as the proposed IPEF takes shape, and we hope these very important relations with key stakeholders like labor unions and other worker advocates continue on a consistent basis in the months ahead. The IAM strongly believes that this trade proposal must be open and transparent and reflect the interests of all Americans. That said, the IAM requests a trade policy that is worker-centric and does not follow any of the flawed trade policies in our past that have resulted in scores of job losses in the U.S.

In short, the IPEF agreement should place workers first. This means provisions like enforceable labor and environmental standards. Our nation’s workers often rely on trade, and what we want is a fair playing field, not policies that force U.S. workers to compete with horribly-abused sweatshop workers overseas. Our nation’s workforce can compete with other countries when we are given a fair chance.

Unfortunately, we’ve seen firsthand the negative impacts of unfair trade policies such as the North American Free Trade Agreement (NAFTA), which was signed in 1994 and helped promote offshoring thousands of good, union-quality jobs from many corners of our great nation. Our members have faced jobs losses as they’ve been forced to unfairly compete with nations that entice corporations by offering a landscape of low wages, weak environmental standards and unsafe working conditions. Corporations may benefit from this race to the bottom, but our workers here in the U.S. deserve much better. Low wages and an inability of workers to collectively bargain has promoted outsourcing of good-paying American jobs to locations overseas and low wage growth.

This proposed IPEF is an opportunity to promote fair trade policies that help create good jobs, rebuild our industrial base and strengthen supply chains.

Incorporate Enforceable Labor, Environmental Rules

The U.S. must work with the IPEF nations to ensure that labor rules are being shaped and followed through binding enforcement. Labor rules such as safe workplace standards and workers’ rights to collectively bargain have promoted strong wage growth in the U.S., and this

basic human right model should be required among the nations seeking the commercial benefits of the IPEF.

Past labor agreements have stopped short of placing workers first, but it's the U.S. workforce that faces one of the largest impacts: job losses.

We need standards up to par with the U.S. for balance. This also goes for environmental standards that thwart companies from shifting U.S. jobs to nations that allow for conditions that pollute the air and drinking water just for a competitive advantage.

Don't Return to TPP

Just like the flawed NAFTA deal, the Trans-Pacific Partnership Agreement (TPP) was a disastrous proposed trade pact sculpted on the failure of past trade agreements that have gutted our nation's manufacturing sector.

The proposed TPP placed corporate interests over basic human rights. Such a U.S. trade pact would have promoted wage declines and outsourcing of hundreds of thousands of domestic jobs to countries like Vietnam, Malaysia and Brunei, which historically fail at recognizing fundamental human rights, like the right to join a union, engage in collective bargaining and be free from discrimination, child labor and forced labor.

Another significant flaw in TPP was the scheme of Investor-State Dispute Settlement (ISDS) system, which would allow corporations to use private World Bank or United Nations Tribunals to demand compensation if a country's environmental, safety, or other laws diminish that corporation's potential profits. Again – another example of the power of corporations over the basic human rights.

That's why the IAM joined several labor unions in our coordinated efforts to successfully scuttle the proposed TPP deal. We strongly discourage IPEF resembling the once-proposed TPP.

Remain Transparent, Engaged

The comments period of IPEF is a great start in keeping transparency on this economic framework. We encourage such feedback going forward, which is a relief from the closed-door negotiations of past trade policies like the proposed TPP and its so-called Fast Track authority to shorten transparency and discussions.

We believe transparency will offer healthy discussions with many important stakeholders, including members of the U.S. Congress. While IPEF does not need congressional approval, we believe Congress should be involved in discussions with key federal agencies tasked with shaping IPEF.

Labor unions, civil rights organizations and other worker advocates should also be involved in the discussions and review process of this very important trade policy that will impact U.S. workers and their families.

Supply chains and Commerce Dept.

The Machinists Union strongly believes that trade policy should originate from the United States Trade Representative's (USTR) office and is bewildered as to why such policy has emerged from the Department of Commerce. More importantly, why would this agency skirt such proposed policy from congressional approval?

Moreover, the problem this country has faced with supply chains is simply the result of bad trade policies that has allowed American jobs to go overseas and corporations to profit from low wages. Will IPEF's proposal seek to address the real problems of our supply chain with remedies that will benefit the American worker? The Machinists Union is not sure that IPEF is the recovery road we seek, especially when real protective enforcement mechanisms are lacking.

Again, the IAM thanks you for offering us the opportunity to comment on this proposed trade policy. If you have any questions, please contact IAM National Political and Legislative Director Hasan Solomon at 301-967-4575 or hsolomon@iamaw.org.