

September 3, 2014

The Honorable Thomas Perez
Secretary of Labor
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

The Honorable Michael Froman
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Labor Advisory Committee for Trade Negotiations and Trade Policy: Advice for
Negotiating the Trans-Pacific Partnership Agreement

Dear Secretary Perez and Ambassador Froman:

We strongly support President Obama's efforts to create shared prosperity for all families in America. However, we do not believe that continuing to put in place trade policies similar to those enacted over the last 25 years will in fact achieve our shared goals. In our experience, our current trade policies have been an obstacle to creating good and sustainable jobs, providing the opportunity for rising prosperity for all, alleviating gross income inequality, and reinvigorating our manufacturing sector.

We, as members of the Labor Advisory Committee, on behalf of the millions of working people we represent, believe that our current trade policy is imbalanced. The primary measure of the success of our trade policies should be increasing jobs, rising wages, and broadly shared prosperity, not higher corporate profits and increased offshoring of America's jobs and productive capacity. Trade rules that enhance the already formidable economic and political power of global corporations undermine worker bargaining power, here and abroad, and weaken both democratic processes and regulatory capacity at the national, state, and local levels.

Repeatedly, over many decades, America's workers have protested flawed trade policies, including those enshrined in the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO), Permanent Normal Trade Relations (PNTR) for China and more recently implemented agreements.

Under these agreements, U.S. communities lost hundreds of thousands of jobs, as companies shed their U.S. workforces to shift jobs and production to places where workers' fundamental labor and human rights are routinely violated and wages are consequently unfairly suppressed. While there have been some important improvements in trade-linked labor and environmental provisions over the past twenty years, these changes have fallen significantly short of what is needed to guarantee that workers are able to exercise their basic rights and that the environment is protected. The reality is that in Colombia, which is bound to the strongest labor rights provisions in any U.S. trade agreement, workers still cannot exercise their fundamental rights to organize and bargain collectively without fear for their lives and for their families' well-being.

Furthermore, improvements in labor and environmental standards must be coupled with changes to the underlying trade rules, which incentivize the off-shoring of jobs and exacerbate the erosion of worker bargaining power and leakage of trade benefits to countries that are not part of the agreements.

The statutory mandate to provide advice to the USTR and Department of Labor is severely undermined by the lack of full and ongoing access to negotiating texts. Given the importance of trade policy to our nation's overall economic strategy, we will continue our work to reform and update the trade negotiating authority process so that this and future trade negotiations can be more open, democratic, and participatory.

We believe our government must enact and implement a broad set of domestic industrial and economic policies to rebuild, repair and modernize our infrastructure and prepare our workforce for the jobs of the future. Absent these investments, so-called globalization and free trade will continue to leave workers behind.

Similarly, we are concerned that current U.S. trade agreements undermine our regulatory capacity and democratic decision-making processes. We believe strongly that our government must use trade negotiations and trade rules to work toward balanced and reciprocal trade by effectively addressing mercantilist policies such as currency manipulation that harm U.S.-based manufacturers and their employees. Likewise, our trade rules do not effectively address other countries' market-distorting policies that require the transfer of U.S. technology and production in return for market access.

In addition, U.S. trade policies unduly protect and privilege the "rights" of corporations and investors—even to the point of creating a private system of "corporate courts" (investor-to-state dispute settlement, or ISDS). The result is an ever-widening gulf between the share of GDP going to profits for corporations and the share that workers take home. The *status quo* approach is unacceptable.

America's workers—and our brothers and sisters around the world—are not willing to accept more trade deals that put profits before people.

Annexed to this letter is a list of concrete suggestions we have requested in one or more venues since the beginning of the TPP negotiations in 2010. We would very much like to discuss the reasons why these suggestions have not been incorporated into the TPP, while status-quo proposals harmful to working people continue to advance.

Trade can be a force for progress in the world, or it can continue to be a disguise for rules that create profit centers for global corporations that do not behave as good global citizens. This is unsustainable.

The U.S. can and must lead the world in creating progressive trade rules that build middle classes and consumer demand everywhere. America's workers want our government to alter its current approach to trade so that it will promote broadly shared prosperity.

Sincerely,

R. Thomas Buffenbarger

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Chair, Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC)