



**International Executive Board
Resolution
On
Trans Pacific Partnership
December 2015**

Whereas, the United Steelworkers union (USW) is the largest industrial union in North America, representing 1.2 million active and retired members in the United States and Canada with members working in virtually every tradable sector from mining and metals, glass and rubber, paper and forestry, automotive and aerospace products and countless other areas; and

Whereas, our members and our countries cannot afford more of the same bad trade policies, flawed enforcement and misplaced priorities from which they have suffered for far too long; and

Whereas, when negotiations on the Trans Pacific Partnership (TPP) began, our union engaged with the negotiators and policymakers with the hope of forging a new approach, one that would lift wages up, rather than pushing them down, one that would reduce our nations' accumulated trade deficits that continue to mount, one that would promote domestic manufacturing and employment rather than more outsourcing and offshoring, one that would begin to reverse the widening gap of income inequality; and

Whereas, we made concrete proposals across the board identifying specific steps that could be taken to create broadly shared prosperity, only to find that after years of negotiations, that the TPP, as proposed, would continue today's failed trade policies; and

Whereas, for workers in manufacturing and the communities that depend upon their success, the agreement would be particularly devastating because it fails to address some of the most important challenges that have decimated the manufacturing sector in recent years; and

Whereas, currency manipulation is not even touched in the core agreement but is, instead, relegated to a side agreement that only allows countries to talk about the problem; and

Whereas, overcapacity and overproduction, problems largely fueled by China's rise and its industrial policies, are ignored in the agreement despite the fact that countries like Vietnam have

announced that they intend to build up their steel sector while they hide behind years of protections they negotiated for their own industry; and

Whereas, American and Canadian industry would continue to be unfairly damaged by foreign State-Owned Enterprises (SOEs) because these would largely be exempt from serious challenges as there are no specific disciplines based on concrete standards to limit their activities, no way to dispute the billions of dollars in subsidies and support they receive prior to the agreement entering into force, and no mechanism for addressing sub-federal level SOEs, which are a significant portion of the problem, because they are exempt; and

Whereas, rules of origin for autos and auto parts in the TPP would be particularly devastating to USW members because the standards would further diminish the percent of a car's content, by value, which must come from TPP countries in order to benefit from TPP preferential trade protections: The North American Free Trade Agreement set the standard at 62.5 percent; the U.S.-Australia FTA lowered that to 50 percent; the recent U.S.-Korea FTA cut the standard to 35 percent, and the TPP further slashes it to 45 percent, allowing 55 percent of a car's content, by value, to come from China and still be stamped "Made In America or Canada" and receive TPP benefits; and

Whereas, negotiators may have worsened this rule of origin problem for USW members who work in the auto parts, glass and other industries by including a provision that would allow auto body parts made of steel or aluminum, and possibly glass and other products, to be considered "domestically" produced with only minimal changes, thus, in effect, reducing the 45 percent content threshold identified in the text to as low as 30 percent or 35 percent, thereby ensuring that production in this vital sector will continue to be offshored and outsourced; and

Whereas, the TPP would facilitate the export of unprocessed raw materials, particularly from Canada's forestry and mining sectors, because the trade agreement would render it more difficult for governments to implement job creation strategies to process raw materials domestically; and

Whereas, the TPP also specifically addresses issues regarding telecommunications, raising concerns that the TPP would lead to the further offshoring of our members' telecommunications jobs from Canada; and

Whereas, the TPP would also extend pharmaceutical patent protection leading to an increase in the price of generic pharmaceuticals, creating additional drug costs for our members and their prescription drug plans; and

Whereas, the TPP fails to utilize the standards embodied in the International Labor Organization (ILO) conventions to ensure that workers' rights are implemented across every workplace and subject to effective enforcement; and

Whereas, the TPP fails to meet the promise that it would be a "high-standards, 21st Century trade agreement" in the area of workers' rights, representing not only a missed opportunity, but also

limiting the ability of workers to share in the very prosperity that they will be working so hard to create for multinational firms through their labor; and

Whereas, TPP countries would be required to adopt and maintain laws to provide for a minimum wage, but that wage may be only pennies an hour to be acceptable under the TPP; and

Whereas, the TPP fails to adequately define basic standards for workers' rights and allows labor standards to be open to continuing redefinition that multinational corporations view as fair and appropriate so that their executives, boards of directors and shareholders can profit at workers' expense; and

Whereas, the TPP raises strong concerns in Canada that foreign companies could bring in an unlimited number of foreign workers under the Temporary Foreign Worker program or the International Mobility Program, under a broad range of occupational categories, expanding programs that take jobs away from Canadian workers and drive down Canadian wages while at the same time exposing vulnerable foreign workers to precarious work without access to fundamental protections; and

Whereas, TPP negotiators included so called "consistency" plans for Brunei, Malaysia and Vietnam that, although seriously flawed and probably unenforceable, at least recognize the systematic failure of law and practice in those countries to respect most basic internationally recognized workers' rights, but the negotiators ignored Mexico, whose flaws are no less important; and

Whereas, for decades, we have made the fight for workers' rights in Mexico a core interest of our union, joining with our brothers and sisters in Los Mineros in a partnership to promote workers' rights because our success and theirs are as inextricably intertwined as are our markets, the TPP is fundamentally flawed because it does not include provisions to address the continuing failure of Mexico's laws, regulations and implementation to guarantee the most basic rights; and

Whereas, the TPP would be the first trade agreement with a "docking" clause to welcome new participants in what may be an ever-expanding trade agreement, and countries such as Indonesia, South Korea and even China already have expressed interest in joining, negotiators set no standards on how these countries will join and, without specific, detailed and binding rules here in the United States, Congress might not even get the chance to vote on the final terms of any new country's participation in and access to our market; and

Whereas, the USW demands U.S. trade law enforcement in its fight to protect every last job threatened by unfair trade practices and has more experience pursuing enforcement than any other entity, this function should, instead, be performed by government; and

Whereas, the USW provided detailed, comprehensive and specific proposals during the TPP negotiations about how to improve the implementation, monitoring and enforcement of U.S. trade laws, the negotiators agreed to TPP trade rules that are far from sufficient, leaving the USW with little confidence that even those rules will be enforced; and

Whereas, the USW's staunch opposition to the TPP is consistent with the report of the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) submitted to the Administration on December 2, 2015 strongly opposing the Trans-Pacific Partnership; and

Whereas, in Canada, the USW has also taken a leading role in advocating for trade rules that better protect Canadian workers from unfair trade, pressing for a more open, expeditious and effective trade remedy system, the rules under the TPP do nothing to address the current failures of the Canadian system; and

Whereas the TPP will only continue the failed trade policies of the past that have valued corporate profits, wherever obtained, over the interests of job and opportunity creation here at home, the USW will put every effort into defeating the TPP.

Therefore, be it resolved: The TPP is a proposed agreement that should not be submitted to the U.S. Congress for passage and, if it is, should quickly be rejected, and, just as important, the Canadian Federal Government should reject the agreement as well.

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