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Creating a trade framework that works for all workers

IFPTE 2018 Legislative Request: IFPTE calls on House and Senate lawmakers, and the Trump Administration to move forward with a new national trade policy that does as much for workers and the environment as it does for global investors. A good place to start developing such a policy would be The TRADE Act.

Overview

As a union representing workers in manufacturing sectors, the International Federation of Professional and Technical Engineers (IFPTE) was pleased that the Trump Administration agreed with our position that the United States reject the Trans Pacific Partnership (TPP). IFPTE therefore supported the Executive Order that withdrew the U.S. from the reckless and damaging TPP. With 20 years of lived experience under the failed NAFTA trade model, IFPTE strongly supports replacing our NAFTA style trade deals like the TPP with a 21st century policy that actually delivers on the promises we have heard since NAFTA.

TPP follows the failed NAFTA template that has damaged our manufacturing base, increased inequality and weakened social stability in the US, Canada, and other countries. IFPTE supports rethinking our approach to globalization to reindustrialize our economy, and address the two defining problems of our time – inequality and climate change.

NAFTA trade model has promoted a race to the bottom

A glaring shortfall of the NAFTA trade model is the absence of any concrete labor and environmental protections. Our disappointing and often tragic experiences with CAFTA, Peru, Colombia and Panama and other deals demonstrate that this approach has forced unacceptable risk onto workers, communities and the environment.

The 2016 Labor Advisory Committee report on TPP accurately summarizes the problems with the NAFTA model:

“While the TPP may create some limited opportunities for increased exports, there is an even larger risk that it will increase our trade deficit, which has been a substantial drag on job growth for more than twenty years. Especially at risk are jobs and wages in the auto, aerospace, aluminum and steel, apparel and textile, call center, and electronic and electrical machinery industries. The failure to address currency misalignment, weak rules of origin and inadequate state-owned enterprise provisions, extraordinary rights provided to foreign investors and pharmaceutical companies, the undermining of Buy American, and the inclusion of a labor framework that has proved itself ineffective are key among the TPP’s mistakes that contribute to our conclusion that the certain risks outweigh the TPP’s speculative and limited benefits.”

American workers have been left behind

Trade agreements write the rules for globalization. Those rules determine who gets the gains from trade. Our failed neoliberal NAFTA-style approach favors global investors at the expense of workers, communities and the environment. Voters, leading economists, and civil society are calling for a better balance between investor interests and public interests. We should manage globalization better to redeem the promises of mutual gain, where living standards are raised, and prosperity is shared.

The time has come: Replace the NAFTA model by linking our trade policy to a broader US industrial policy

It is IFPTE’s long-standing position that any trade framework should be reflective of a broader U.S. industrial policy whose foundation is enhancing the rights of workers not only here in the U.S., but worldwide. IFPTE remains supportive of a U.S. trade policy similar to that stipulated in legislation introduced in past Congresses by former Congressman Mike Michaud (D-ME) and Senator Sherrod Brown (D-OH). The legislation, entitled the *Trade Reform, Accountability, Development and Employment (TRADE) Act* calls for a new trade policy to replace our current NAFTA-like liberal trade guidelines. The legislation would bring much needed consistency between our trade policies and a national industrial policy anchored by good jobs, reestablishing our manufacturing base, developing and maintaining a clean environment, safe food and medicines, and other essential services. A trade framework similar to that called for in the TRADE Act will close the many loopholes that have led to the mass exodus of US jobs, by:

- Requiring a review of existing trade agreements like NAFTA and WTO;
- Allowing for the renegotiation of existing trade agreements;
- Outlining a new negotiations process that balances investor interests with the interests of workers, consumers, and the environment;
- Defining what must and must not be included in future trade deals, including worker rights and environmental protections, democratic accountability, and currency anti-manipulation provisions.

