



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

501 3rd Street, NW, Suite 701, Washington, DC 20001
202-239-4880 • FAX 202-239-4881 • www.ifpte.org

PAUL SHEARON
President

MATTHEW S. BIGGS
Secretary-Treasurer

AREA VICE PRESIDENTS

Gerald Newsome
EXECUTIVE VICE PRESIDENT
ATLANTIC

Mazen Alsabe
NORTHEAST

Ronda Cockrell
SPEEA

Joel Funfar
SPEEA

Laurence Griffin
WESTERN

Gay Henson
EASTERN FEDERAL

Misty Hughes-Newman
CANADIAN

John Mader
WESTERN

Sean P. McBride
ATLANTIC

Ryan Rule
SPEEA

Dr. Leland S. Stone
WESTERN FEDERAL

Scott Travers
CANADIAN

Gustavo Vallejo
WESTERN

Tina Zellmer
MIDWESTERN

2020 IFPTE Issue Brief

116th Congress

Creating a trade framework that works for all workers, communities, and the environment, and the public interest

IFPTE 2020 Legislative Request: IFPTE calls on House and Senate lawmakers and the Trump Administration to move forward with a new national trade policy that that prioritizes citizens over that of multi-national corporations. Additionally, Congress must reassert and exercise its Constitutional authority over the deliberation and regulation of foreign trade policy instead of agreeing to extend Trade Promotion Authority to the Executive Branch, which is set to expire in July 2021.

Overview

As a union representing workers in export-driven manufacturing sectors, IFPTE supports rethinking our approach to globalization in order to reindustrialize our economy and implement a trade policy that supports workers, communities, and the public interest. While USMCA compromise deal includes some incremental improvements compared to NAFTA, it will not reverse the accumulated damage caused by NAFTA's distorted, corporate-driven power relationships that encouraged the wholesale movement of production and jobs out of our domestic economy.

A missed opportunity: USMCA is a revision of NAFTA, not a break from the NAFTA model

After two decades of lived experience, the shortcomings of the NAFTA neoliberal free trade approach to globalization are clear. The corporate-driven NAFTA model has proliferated trade policies that encourage the displacement of production and jobs out of our domestic economy, diminish the role of government, put business and investor interests first, and blur our national identity and priorities by merging our economy into the global economy. While USMCA is a revision of NAFTA and improves NAFTA by including a rapid response enforcement mechanism, strengthening labor and environmental enforcement mechanisms, eliminating panel blocking, and removing some of the egregious protections for multi-national corporations, it does not fundamentally break from the NAFTA model. It will have limited positive impact for working people in the United States, Canada and Mexico and workers' careers and economic security will remain at risk under the USMCA, as they did under NAFTA. Ultimately, USMCA represents a missed opportunity to shift the paradigm from the market-fundamentalist, pro-corporate NAFTA approach to trade to a model that shares gains from globalization with workers, families and communities.

Trade policy must articulate and fulfill principles that raise living standards, support legitimate national interests, and prioritize the public interest

IFPTE believes that our approach to globalization should be based on three basic principles. First, the purpose of an economy is to raise living standards and improve wellbeing for its citizens. Second, every country has legitimate national interests, and it is the appropriate role of public policy to pursue those national interests in ways that do not unfairly burden people in other countries. Finally, our trade policy should prioritize the public interest, rather than allowing powerful private interests to guide trade policy.

For instance, both Europe and the US support their aerospace industries, consistent with each region's national interests. These national strategies conflict with NAFTA and World Trade Organization (WTO) rules. Similarly, India and the US both encourage production of solar panels, in conflict with NAFTA and WTO rules. Every region supports exports with credit agencies comparable to our Export-Import Bank. Such actions are widely seen as legitimate public policies.

National strategies are necessary to manage education, health care, infrastructure, workforce development, to address climate change and make other investments in public goods. Markets may be ill-suited for these purposes. Our trade policy must recognize the legitimate role of public policies.

China has very clear national strategies for 10 industries of the future. China also invests heavily in infrastructure as a national strategy. We have done that in our past. Japan, Korea, Germany, and Scandinavian countries do that today. These countries' commitment to supporting their national strategies is the opposite of the NAFTA WTO free trade approach.

Paraphrasing Nobel Prize economist Joseph Stiglitz, our trade policies should manage globalization better, addressing countries' markedly different values and interests.

Congress should recognize this moment as an opportunity to rethink our approach to our domestic strategies and make corresponding changes in the way we manage globalization. In that regard, Congress should not reauthorize Trade Promotion Authority, the dangerously truncated and expedited process which cedes Congress' Constitutional authority to the Executive Branch. Congress must maintain and exercise its power to deliberate, investigate, legislate and set the terms for trade policy on behalf of workers, communities, the environment, and the public interest.