

# **TELL JOE CROWLEY: DON'T REPEAT YOUR MISTAKE- VOTE NO ON FAST TRACK FOR TPP!**

In October 2011, Rep. Crowley ignored the warnings of public interests groups and organized labor that his vote for the Korea-US Free Trade Agreement, the largest US trade agreement since NAFTA, would increase the US trade deficit, hurting our economy and contributing to more outsourcing of jobs in the midst of an unemployment crisis. Crowley scoffed at these concerns. Well, the numbers are in: Joe got it wrong.

According to the public interest watchdogs at Public Citizen “The just-released monthly trade data from the U.S. International Trade Commission reveals an expanding U.S. trade deficit with the world as U.S. exports dropped and imports rose in January, relative to December of last year. But the deficit picture is even starker for U.S. trade with Korea under the tenth month of the Korea Free Trade Agreement (FTA).

While U.S. goods imports from all countries rose 3% in January, U.S. imports from Korea soared 18%. While U.S. goods exports to the world slipped 6%, exports to Korea fell 8%. And while the U.S. trade deficit with the world climbed 21% in January, the deficit with Korea jumped 81%. January's U.S. trade deficit with Korea topped \$2.4 billion -- the largest monthly deficit with Korea on record. In short, another month of trade with Korea under the Korea FTA has produced another month of remarkably large job-displacing trade imbalances.

The U.S.-Korea trade imbalances of recent months are remarkable not just in comparison with most other U.S. trade partners, but in comparison to how U.S. trade with Korea looked before the Korea FTA took effect in March of last year. In nine of the ten first months of the FTA's implementation, including the most recent month, U.S. exports to Korea fell below pre-FTA levels (relative to the same months in the prior year), spelling an overall 9% fall in exports under the FTA. In six of those ten months, including the most recent month, U.S. imports from Korea exceeded pre-FTA levels, yielding a 2% increase in imports under the FTA. As a result, the U.S. trade deficit with Korea under the FTA's first ten months is 30% -- or \$4 billion -- larger than in the same months before the deal took effect. The graph below summarizes this none-too-pretty picture for U.S. jobs, depicting the difference between Korea trade levels under the FTA (April 2012-January 2013) and those occurring in the same months one year earlier, before the FTA took effect.”

In the months to come Rep. Crowley will once again be called upon to vote on critical trade-related legislation. We must urge him not to make the same mistake he made with the Korea FTA!

## **TPP: NAFTA ON STEROIDS**

The Trans-Pacific Partnership (TPP) is a massive new international trade and investment pact being pushed by the U.S. government at the behest of transnational corporations. If it continues on its current course, the TPP will serve two primary purposes:

1. Making it easier for corporations to shift jobs throughout the world to wherever labor is the most exploited and regulations are the weakest;
2. Putting checks on democracy at home and abroad by constraining governments' ability to regulate in the public interest.

The TPP is already being negotiated between the United States, Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam — but it is also specifically intended as a “docking agreement” that other Pacific Rim countries would join over time, with Japan, Korea, China and others already expressing some interest. Corporations cheering the TPP include Citigroup, JPMorgan Chase, Wal-Mart, Newscorp, GE and Halliburton. The TPP has been questioned — if not outright opposed — by labor, environmental, family farm, consumer, indigenous and other social justice groups on four continents.

## **PREVENTING EFFECTIVE REGULATION OF WALL STREET**

The United States first expressed interest in the Trans-Pacific Partnership as a mechanism for expanding financial service agreements throughout the Pacific Rim. Learning nothing from the 2008 financial collapse, U.S. negotiators appear to be pushing for a financial services chapter that would not only provide Wall Street-based firms with greater access to financial service markets abroad, but also explicitly limit governments' abilities to regulate banks, hedge funds and insurance companies. Provisions that Wall Street supports include: prohibitions against limiting the size of financial institutions (ie, safeguards against “too big to fail”); prohibitions against firewalls between different types of financial institutions (ie, reinstating the Depression-era Glass-Steagall Act); prohibitions against bans on specific financial products (ie, banning the sale of toxic assets); and prohibitions against capital controls (ie, tools designed to stabilize the flow of money into and out of a country). The TPP is also expected to grant banks and other transnational corporations the power to challenge any laws, regulations and even court decisions that they believe violate the pact through international tribunals that circumvent domestic judicial systems. Under these “regulatory takings” cases, countries would be forced to change their policies and/or pay stiff penalties to the aggrieved corporations.

## **TRADING GOOD-PAYING CAREERS FOR SWEATSHOP LABOR**

Since the North American Free Trade Agreement (NAFTA) was enacted in 1994, the U.S. Labor Department has certified more than 2.5 million American jobs as destroyed by either direct offshoring or displacement by imports. The World Can't Afford a “NAFTA of the Pacific” Much of this job loss was the result of corporations looking to exploit cheap labor abroad — often times in countries where workers are violently suppressed for speaking out in favor of better working conditions. Vietnam is currently being marketed as the “low-cost labor alternative” for corporations who feel that Chinese sweatshop workers are overpaid. The U.S. State Department noted in 2010 that independent labor unions, and even opposition political parties, are illegal in Vietnam — with dissidents who've attempted to form both currently behind bars. The oil-rich Sultanate of Brunei is hardly any better; there is virtually no union activity in Brunei, nor any legal basis for collective bargaining or strikes. While considerably better on paper, Mexico's maquiladora are frequently controlled by company-run “ghost unions,” insofar as there are any unions at all. While trade policy could be a tool for lifting labor standards throughout the world, reports suggest that the current U.S. proposal for the TPP labor chapter is similar to the weak labor standards included in Bush-negotiated Free Trade Agreements. If true, the pact's labor provisions are likely to fall far short of actually protecting jobs at home and basic human rights abroad.

## **ACCELERATING GLOBAL WARMING IN THE NAME OF PROFITS**

Leaked text of the TPP's investment chapter show the U.S. and most other nations backing a plan to grant transnational corporations the power to challenge any environmental or consumer safety protections that negatively affect their profits as "regulatory takings" in international tribunals that circumvent domestic judicial systems. Portions of the Clean Air Act, Endangered Species Act and Marine Mammal Protection Act have already been rolled back under past trade policies, as have the environmental protections of other nations. Policies large and small that are intended to combat climate change would seriously be threatened by expanding so-called "investor rights" provisions. Beyond this, the TPP is likely to contain a number of other provisions that encourage "rip-and-ship" resource extraction in each of the countries involved, leading to more drilling, mining and logging regardless of the wishes of local communities. Greater access to sweatshop labor overseas would also further act as a disincentive against reigning in wasteful product lifecycles, as it effectively subsidizes the throw-away consumer culture encouraged by so many retailers and brands.

## **DESTROYING FAMILY FARMS AND FORCING MIGRATION**

The Trans-Pacific Partnership is expected to continue allowing U.S.-subsidized corn, wheat, soy, rice and cotton to be dumped on other countries, while also allowing the import of cheaper (and often less safe) fruits, vegetables and seafood from other countries — consolidating global food supplies in the hands of fewer-and-fewer giant middlemen, while forcing more and more family farmers off their land and exposing consumers to wild food price fluctuations. This phenomenon under NAFTA is already a driving force behind migration from Mexico to the U.S., and is the reason why farmers in many countries are already adamantly opposed to the TPP.

## **KEEPING THE PUBLIC IN THE DARK**

For years, the Trans-Pacific Partnership negotiations have taken place behind closed doors. Since negotiations began in 2008, none of the negotiating documents have been officially released for public review (although some have been leaked). In the United States, approximately 600 corporate lobbyists have been named as official advisers, granting them regular access to the negotiating texts, as well as the negotiators. Most civic groups, journalists and those whose lives will be affected by the negotiators' decisions have no right to see the texts until the negotiations have concluded — at which point, it is more-or-less impossible to change them.

## **TPP AND FAST TRACK**

Modern trade agreements cover far more than just tariffs and quotas. They affect everything from banking regulations to food safety standards, energy policy, medicine patents, environmental protections, government procurement and beyond. These far-reaching and ambitious pacts should be created in a manner that offers opportunities for real oversight and informed public participation. "Fast Track" is a Nixon-era trade negotiating and approval process that strips power to influence the terms of trade agreements away from the public and our elected representatives, while maintaining and amplifying the influence of large corporate interests.

Fast Track is contrary to democratic principles like transparency, public participation and accountability in every way:

- Under Fast Track, the U.S. Trade Representative negotiates the terms of trade agreements with other countries in secretive, behind-closed-door meetings.
- While hundreds of corporate lobbyists are granted official trade adviser status, the general public has no right to see what is being proposed in our names until after negotiations have concluded, the agreement is signed and the opportunity for changes becomes all but impossible.
- Fast Track also removes Congress' exclusive constitutional authority to "regulate Commerce with foreign nations" by circumventing ordinary Congressional review, amendment and debate procedures.
- Because trade agreements take precedent over U.S. laws at the federal, state and municipal level, Fast Track enables an amazingly wide range of public interest policies to be rewritten without any of the typical public processes associated with democratic lawmaking.

In concrete terms, Fast Track delegates five major elements of Congress' constitutional authority to the executive branch: the power to select trading partners; the power to set the terms of trade agreements and to actually sign the agreements before Congress votes on them; the power to write implementing legislation, circumvent Congressional committee review and submit the legislation directly for a vote; the power to override Congressional leaders' control of House and Senate floor schedules; and the power to override normal voting procedures, including a ban on all amendments and limits on debate. Under Fast Track, Congress does provide a list of "negotiating objectives" that the U.S. Trade Representative is supposed to try to meet, but these objectives are not enforceable.

For new trade agreements, such as the Trans-Pacific Partnership (TPP), to be considered under Fast Track rules, Congress would first have to pass new Fast Track legislation. On Friday, March 1<sup>st</sup>, the White House announced that it would seek Fast Track Authority for TPP.

## **WHAT YOU CAN DO**

Call, fax, email, and write Representative Joseph Crowley to break his streak of supporting every job-killing free trade agreement to go before Congress since 2006 by voting against Fast Track Authority for TPP. He should also let President Obama know that the President should stick to his 2008 promise to fix NAFTA so that it will stop costing the US jobs and undermining our environmental rules or pull the US out of this destructive trade deal, rather than leading a massive NAFTA expansion in the form of TPP:

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