OBAMA-BIDEN TRANSITION PROJECT

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

Change to Win Recommendations to the Obama Administration on Globalization Policies (USTR, Department of Commerce, Department of State, and Department of Labor)

U.S. global economic policy has been based on securing protections for multinational corporations at the expense of workers, communities, and the environment. The management of globalization should come under social democratic principles. During the last twenty years, labor rights and U.S. job creation has taken a back seat while US, global economic policy has encouraged companies to send productive capacity offshore in order to send products back to the U.S. market.

Unless we dramatically reform the current policy approach to trade by rejecting the current model – at the national as well as global level – the living standards of workers, here and abroad, will continue to be undermined.

A New Day with New Policies and Actions

It is time for a new trade and globalization policy -- a combination of domestic and international reforms -- that would move us toward a global economy in which prosperity is shared both within and among nations. International labor rights and the enforcement of them are a critical element to this. We also need an approach that recognizes that access to our market is important for most of our trading partners and uses that leverage to promote our fundamental interests. We need a credible forward looking plan to promote international economic growth with equity.

A critical first priority for the Administration should be to enforce and strengthen our trade laws and existing trade agreements. There should also be a Special Prosecutor charged by Congress to investigate the most egregious trade barriers and practices that limit our ability to see our products in foreign markets. We also need to reform our tax policies to eliminate incentives to produce offshore. The Administration must also be committed to promoting core workers rights within the Department of State, USTR, Department of Labor, and the Department of Commerce.

The rules governing the globalization process in recent years are almost exclusively set through negotiation of 'trade agreements' that prioritize commercial relationships over all other cross-border issues. Labor Unions and other countervailing actors in society are woefully underrepresented in these negotiations.

In addition to expanding input from workers in these negotiations and existing agreements, the new administration should set out a positive agenda to strengthen international

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

social norms in the current context of globalization. The new administration will find that many governments will quickly join in cooperation with our leadership to balance the skewed development of international social norms. There are a number of existing efforts to this end. For example the OECD Guidelines for Multinational Enterprises, the G-8, the International Monetary Fund, and the International Labor Organization. The new Administration should both strengthen these social norms to balance with vastly expanded commercial rights and knit various efforts and institutions into an effective mechanism for balanced development.

OECD

The OECD guidelines are the one international standard which applies to the conduct of multinationals wherever they operate. Among other things, the Guidelines require sustainable development, respect for national law, freedom of association and collective bargaining. All of the OECD member countries plus a number of "observers" (generally speaking strong economies such as Brazil) have agreed to enforce them through a "National Contact Point." The NCP is an individual in some countries; in others it is a tri-partite system which includes a representative of organized labor. The government is responsible to enforce the Guidelines with respect to all multinationals based within its borders, thus the US NCP has responsibility to enforce the Guidelines with respect to a sizable percentage of global employers.

The enforcement of OECD guidelines and having an effective national contact point person to enforce the OECD guidelines is essential. This position is currently housed within the Office of Investment Affairs, Bureau of Economic Affairs within the State Department. This position should be given more priority and authority so that it in fact can be productive and effectual. According to the Trade Union Advisory Committee to the OECD (TUAC), the US NCP, has not contributed positively to the resolution of a single case brought before it and has steadfastly resisted intervention through its office. . This must change. The Guidelines are the only multi-lateral standard developed to explicitly address the important role of multinationals in raising or pulling down employment standards around the world.

Trade Agreements

There should also be no new trade agreements until we have a full review of our existing rules on trade and trade agreements and a new overall trade policy. A review should include domestic wages and employment, trade deficits and surpluses, worker's rights, environmental standards, consumer safety, etc... We are also concerned with pluritaleral negotiations/agreements and bilateral investment agreements. Full discussion on what they entail and the impact they can have on U.S. jobs and workers should be discussed throughout the process. Trade unions should be given the same access during negotiations of any trade agreement as is given to the business community.

The new Administration should also make clear that the pending Bush negotiated free trade agreements (South Korea, Colombia, and Panama) will not be considered in the first year if

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

at all. There are issues that need to be resolved with each of them. The South Korea FTA does not secure U.S. access to South Korea's auto market. It is a very one-sided FTA that could have serious repercussions for U.S. workers and the economy. Regarding the pending Colombia FTA, the situation on the ground in Colombia must be addressed before the FTA is even renegotiated. This year 42 trade unionists have been assassinated. While the Uribe Administration has taken some steps to address the impunity and lack of prosecutions in Colombia, it is far from being sufficient.

Since so much attention is being given to the terrible labor rights conditions in Colombia, little attention has been given to the issue of labor rights in Panama which is also very problematic. There are serious labor law reforms that are needed to ensure that Panama's labor laws meet the ILO Core Labor Standards and Conventions. Also, several sources have indicated that Panama serves as a tax haven for as many as 400,000 (mostly U.S.-based) companies, and has refused to sign a tax information exchange agreement with the United States. Entering into such an agreement with a country that refuses to cooperate with the US in important law enforcement matters sends all the wrong signals to countries that are cooperating with the US and in effect rewards bad behavior.

Also, the model used in each of the pending trade agreements is still the Bush model which is unacceptable. The trade agreements should be renegotiated at the right time or just not considered at all. While improvements were made in the labor chapters of the pending trade agreements, the current language in the trade agreements are not model labor languages. That approach simply did not go far enough in ensuring that workers would be able to share in the fruits of their labor and have full access and protection of internationally recognized labor rights. The framework approach was limited by what a Republican Administration and the business community were willing to accept and should not be viewed as the ceiling on what we should implement. A better approach would be to adopt, going forward, the approach embodied in the TRADE Act (Brown/Michaud) which is in the process of being improved for possible introduction in the next Congress. The new administration should also renegotiate the provisions on investment rules, government procurement, intellectual property rights, and services all of which are modeled after NAFTA and CAFTA.

NAFTA

The new administration has committed to looking into the renegotiation of NAFTA. The labor chapter should no longer be just a side agreement, but one that is part of the actual trade agreement. Once again, the new administration should look to the provisions in the TRADE Act with respect to the labor chapter, investment chapter and so forth when considering taking action on NAFTA. For the Teamsters, the issue of Mexican domiciled trucks has been an issue since the implementation of NAFTA. The new administration should remove cross border trucking market access for trucks which under NAFTA now guarantees access to our highways to Mexican-domiciled trucks regardless of health and safety standards. The U.S. government must

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

make sure that there is an exception in the agreement to ensure that such transportation access is carved out.

China

The new Administration should take action on the Section 301 case filed by the AFLCIO in 2006 which makes a very strong case that China's violation of worker's rights is an unfair trading practice. The Obama Administration should encourage the passage of the Fair Currency Act of 2007 which was introduced by Senators Stabenow, Bayh, and Bunning. The bill provides remedies to treat currency manipulation as an actionable subsidy. Action should also be taken to address China's illegal subsidies.

Import Safety

Food and product safety problems continue to rise as trade flows increase—our citizens should have information on the origin of the goods and services they use. A new consumer's bill of rights needs to be adopted that give consumers information they should have a right to know for both products and services. There should be mandatory country of origin labeling, and imported food should be required to meet our own domestic safety standards. Importers should also be required to have product liability insurance to compensate consumers for substandard products and any injury or damages that might occur.

WTO

The current Doha discussions do not include workers rights, environmental standards. tax issues, and currency manipulation. This makes the discussions from our perspective a non-starter. Also, we are concerned with the conversations that are taking place with respect to services, procurement, NAMA, and Mode 4 and their impact on domestic regulation and job creation. The process also needs to be more transparent and inclusive of unions and civil society. The Administration should send a clear message that it is time to have real discussions about the uplifting of workers. That is best accomplished with direct union participation in the process.

Fast Track

Fast track and the current trade model must not even be considered. Comprehensive legislation has been introduced in Congress that provides a model approach for moving forward. This bill. the TRADE act. creates a framework for future negotiation of trade agreements and trade authority for the President.

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

Department of Labor, USTR, Department of Commerce, and Department of State

Labor

The ILAB within the Department of Labor should be led by an Undersecretary and not just a Deputy Under Secretary. The new Administration should also ensure that the necessary resources are allocated to ILAB and ensure that the Office of Trade and Labor Affairs is given the necessary staff and tools to effectively address labor right petitions in trade agreements. The office of Child Labor, Forced Labor, and Human Trafficking should be expanded to include all of the ILO Core Labor Standards including freedom of association, collective bargaining and non-discrimination in employment.

USTR

The Country needs a USTR that is committed to addressing the imbalances of trade. A USTR is needed that understands that rules are important and not bad because it may deemed "protectionist." A USTR is needed that understands that trade policies should benefit working people and domestic businesses. A USTR is needed that believes that trade should lead to more job creation and income growth for workers here in the U.S.

There should be a Deputy USTR for Labor in addition to the career position of Assistant USTR for Labor.

State

Within the Department of State, the US Secretary of State's Special Representative for International Labor Affairs should be established with Ambassador at large status. It is also important that the Assistant Secretary for Bureau of Economic Affairs is someone that understands the importance of respect and enforcement of labor rights in US economic and diplomatic affairs. Also, the office of the National Contact Point for the OECD Guidelines should be structured to guarantee vigorous enforcement of the Guidelines, and headed by a fierce advocate for labor and ethical standards. It is also critical that the Assistant Secretary for Democracy, Human Rights and Labor is headed by someone committed to labor rights and the strengthening of unions.

Bi-lateral relations should regularly include on the agenda key social standards such as basic social security, minimum wages, temporary work, labor market policy, green job initiatives, and fighting poverty. Our national debate on the Employee Free Choice Act would greatly benefit from the experience of countries where majority authorization and first contract arbitration are the norm.

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

Commerce

The Department of Commerce and the International Trade Administration within Commerce should also include leaders that are committed to worker's rights, the strengthening of international trade unions, and an understanding that the model is broken and a new way forward is needed. A new position on labor compliance should be created within the Department of Commerce and the ITA.

Office of Working Americans

Change to Win has proposed the creation of an Office for Working Americans to oversee the impact of government initiatives on workers. The Office should include a point person for International Labor Policy and Programs to play the same roll in our international programs.