



working **together**  
for **social** and **environmental justice**  
in **trade policy**

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## **Pennsylvania Fair Trade Coalition**

### **2008 Presidential Candidate Questionnaire**

Candidate Name: Barack Obama

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The Pennsylvania Fair Trade Coalition (PAFTC) is a statewide coalition of labor, family farm, faith, environmental and student organizations whose mission is to work for socially, economically and environmentally just trade policies which promote a fair global economy and to oppose unjust, unsustainable trade policies.

Members of the PAFTC include: the Pennsylvania AFL-CIO, United Steelworkers District 10, United Students against Sweatshops, Mid-Atlantic Region, Pennsylvania Joint Board UNITE HERE, Communications Workers of America, District 13, International Union of Painters and Allied Trades District Council 57, A United Methodist Witness in Pennsylvania, Philadelphia Council, AFL-CIO, Pennsylvania Farmers Union, Steelworkers Organization of Active Retirees District 10, Pennsylvania Council of Churches, International Brotherhood of Boilermakers, Local 13, Allegheny County Labor Council, Pennsylvania State Electrical Workers Association, Pennsylvania State Council of Machinists, Clean Air Council

The Pennsylvania Fair Trade Coalition is sending questions to candidates to determine who is most focused on addressing the trade crisis effectively -- by rejecting further agreements based on the NAFTA model, renegotiating existing agreements and promoting a new responsible trade and globalization model.

The following questions will be shared with our PFTC member organizations. We strongly encourage you to supplement answers with additional explanations and rationale.

#### **Background**

We believe the NAFTA-WTO model of globalization has failed the U.S. and our trading partners. During the NAFTA-WTO era, we have seen *one out of every four* U.S. manufacturing jobs destroyed and real wages

decline as income inequity has soared. Since 2000 Pennsylvania has lost over 200,000 manufacturing jobs. Under the current globalization model, income inequality has increased not only within our country, but between countries with extreme poverty and hunger in Latin America, the Middle East, Africa and Asia. WTO and NAFTA have resulted in scores of attacks on domestic environmental, health and safety laws upon which our communities rely. WTO, NAFTA and NAFTA-style agreements ban Buy-America initiatives and other procurement policies which ensure our tax dollars are reinvested to provide American jobs and to promote good wages. These pacts limit our ability to inspect for the safety of imported products and food. NAFTA resulted in the displacement of over one million Mexican peasant farmers, increasing immigration to the United States from Mexico by 60 percent. Similar results are projected from CAFTA's agricultural provisions, even as the United States has seen the loss of tens of thousands of farms during the same period.

### **Imported Food and Product Safety**

1. Both Democratic presidential candidates have stated that, as President, he and she would take urgent action to remedy the current flood of unsafe imported products and food into the U.S. market. Will you commit to renegotiating our current trade agreements to remove the limits on imported product and food safety standards and inspection rates now included in WTO, NAFTA and the NAFTA-style FTAs and to require that only products that meet our U.S. safety standards are allowed to enter our market?

Yes                      No

**Additional Comments:** I believe that we must have strong standards to accept imports of food and other products. Equivalent standards do not necessarily have to be identical to ours, but they must achieve the same level of protection for consumers. I support ensuring that our trade agreements include protections for consumers that are as good as U.S. safety standards.

### **Agriculture**

The top priority of each future trade agreement must be to provide farmers and ranchers across the globe an opportunity to receive a fair price for their commodities. Each trade agreement since the early 1990's has resulted in opening our borders to cheaper, lower-quality imported food, without regard to how it is produced or who produces it. The free trade agenda has decimated our nation's agriculture trade surplus in the last several years. Competitive imports are outpacing exports as a result of an unlevel playing field in agriculture, with American producers required to meet stringent labor, health, environmental and safety standards, while competitors are not.

2. Do you intend to limit future trade agreement negotiations to regulating domestic support levels, export subsidies and market access or shift the focus to require negotiations include addressing differences in labor standards, environmental standards, health standards and the trade-distorting effect of currency manipulation and cartelization of agriculture markets?

Yes                      No

**Additional Comments:** I will work to maintain the American farmer's competitiveness around the world, and ensure the growth of family farms. My pro-American trade agenda will ensure the interests of farmers and ranchers are not traded off in favor of other industries. I will work to ensure that all trade agreements contain strong and enforceable labor, environmental, and health and safety standards so American farmers are able to

compete on a level playing field. I will instruct the U.S. Trade Representative (USTR) to negotiate agreements that grant American products access commensurate to access provided foreign products to the U.S. market, and I will examine existing U.S. trade agreements like NAFTA and CAFTA to ensure they do not undermine U.S. farmers.

### **WTO and the “Doha Round”**

The WTO “Doha Round” negotiations are designed to expand the existing WTO model rather than address the problems in the existing WTO rules. Among the proposals now on the table are new constraints on the use of U.S. anti-dumping, countervailing duty, and other trade laws. Under the existing WTO rules, the United States has lost 29 WTO challenges against its existing trade remedy laws.

3. Will you commit to ensuring that no such new limits are included in any new WTO agreement and that the existing rules are renegotiated to allow the United States to employ its trade laws to counter dumping, subsidies and other trade cheating?

**Yes**                      **No**

**Additional Comments:** I support ensuring that future WTO negotiations are productive and fair to working people and the environment. I believe that we can work within the framework of the WTO to ensure our international standards for workers, poor nations, public health, and the environment are all improved. And we must ensure that global trade rules allow governments to pass nondiscriminatory laws and regulations that are in the public interest.

4. As president, will you allow the current Doha Round at the WTO to continue?

**Yes**                      **No**

**Additional Comments:** Please see above

Also on the table at the WTO Doha Round talks is a major expansion of the WTO’s General Agreement on Trade in Services (GATS) The Bush Administration has offered to bind the U.S. higher education sector to WTO jurisdiction which would limit U.S. federal and state government policy space regarding education policy. As well, new disciplines on the regulation of services, including limits on standards, professional qualifications and licensing are included in the Doha Round.

5. Will you commit to removing higher education from the U.S. Doha Round offer and opposing any Doha Round agreement that further limits non-discriminatory domestic service sector regulation?

**Yes**                      **No**

**Additional Comments:** I do not support trade efforts that undermine important federal, state and local policies and long-time practices that have been designed and implemented to benefit American families. As such, before expanding GATS to other domestic sectors, I believe we must have a thorough assessment of how such a move would affect the existing practices and goals of U.S. federal, state and local governments.

Existing U.S. WTO commitments regarding health insurance, hospitals, pharmaceutical distribution and other service sectors must be amended in order to implement key aspects of the health care reform proposals forwarded by both Democratic presidential candidates’ health care proposals. For instance, the WTO forbids

needs tests and exclusive provider arrangements in these sectors. The Bush Administration recently petitioned WTO to remove the U.S. gambling sector from WTO jurisdiction to restore our ability to regulate this service.

6. Will you commit to removing U.S. health care services from WTO jurisdiction so that urgently needed reforms can be implemented?

**Yes**                      **No**

**Additional Comments:** I am committed to signing a universal health care plan into law by the end of my first term of office. I will instruct my USTR appointee to examine any existing WTO regulations, as well as proposed policies put forward by the outgoing Bush Administration, to ensure that these are no existing trade regulations that will affect implementation of this goal.

## **China**

In November 2007, the United States reached a new record annual trade deficit with China -- without December's figures even being calculated. Pennsylvania manufacturers are unable to compete when China grants enormous subsidies to foreign investors and misaligns its currency, which Federal Reserve Chair Bernanke calls "an effective subsidy."

7. As President, what steps will you take to address China's unfair advantage over Pennsylvania workers and manufacturers?

**Response:** I will build on my efforts in the U.S. Senate to declare China a currency manipulator, and work to ensure that China is no longer given a free pass to undermine U.S. workers. I will also make enforcement the top priority of the U.S. Trade Representative (USTR) Office, and I will increase resources for the USTR so it can carry out its responsibility to protect American interests. Finally, I will also ensure that consumer products coming in from China are truly safe. I will increase funding for the Consumer Product Safety Commission and work with the Chinese government to establish a better system, including the possibility of stationing U.S. inspectors in overseas factories, to monitor and act when dangerous toys are identified.

## **Presidential Trade Negotiating Authority**

Both Democratic presidential candidates have committed to opposing any further Fast Track/Trade Promotion Authority for President Bush. We are very interested in your thinking about what sort of trade authority you would seek as President. The AFL-CIO and the Change to Win labor federations passed resolution in 2006 calling for replacing the Fast Track/Trade Promotion Authority system with a new system that includes the following:

- A. Readiness criteria to determine appropriate negotiating partners;
- B. Binding obligations regarding what must and must not be in future trade agreements;
- C. The right of prior informed consent for states before they are bound to non-trade, investment, service sector and procurement rules in trade agreements; and
- D. The right for Congress to vote before agreements are signed.

8. Will you commit to replacing the outdated Fast Track/Trade Promotion Authority system with a new process that includes these core improvements?

**Yes**                      **No**

**Additional Comments:** I will not support extension of the existing Fast Track process that expired. I have not and would not support renewing Trade Promotion Authority for this President. The current Fast Track process does not mandate that agreements include binding labor and environmental protections nor does it give an adequate role to Congress in the selection and design of agreements. I will work with Congressional leaders to ensure that any new TPA authority fix these basic failings and open up the process to the American people for their participation and scrutiny.

### **NAFTA and NAFTA-Style “Free Trade” Agreements**

We are pleased that both Democratic presidential candidates have committed to review NAFTA and renegotiate aspects of it. Senator Obama has also committed to adding enforceable ILO labor standards and environmental standards to our other existing FTAs and the WTO. Both candidates have committed to ensuring that future trade agreements do not include private investor-state enforcement systems and also ensure that state-state investment rules do not grant foreign investors and overseas companies greater rights than U.S. residents or businesses. Because they incentivize offshoring by removing the risks normally associated with relocating to low wage developing countries, the foreign investment rules in these pacts are the most direct causes of U.S. job loss and the downward pressure on American wages.

9. Will you commit to renegotiate NAFTA to eliminate its investor rules that allow private enforcement by foreign investors of these investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

**Yes**                      **No**

**Additional Comments:** I firmly believe that foreign investors should have no greater rights than Americans in our trade agreements.

10. Will you commit to renegotiate CAFTA and the other FTAs now in effect to eliminate their investor rules that allow private enforcement by foreign investors of the FTA investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

**Yes**                      **No**

**Additional Comments:** With regards to provisions in several FTAs that give foreign investors the right to sue governments directly in foreign tribunals, I will ensure that foreign investor rights are strictly limited and will fully exempt any law or regulation written to protect public safety or promote the public interest. And I will never agree to granting foreign investors any rights in the U.S. greater than those of Americans. Our judicial system is strong and gives everyone conducting business in the United States recourse in our courts. The tribunal system was created to ensure that our investors would have access to similar protection abroad. I understand the concerns surrounding this issue, and am committed to working to address them.

11. President Bush has negotiated and signed Free Trade Agreements with Panama, Colombia and South Korea that contain the foreign investor and procurement provisions included in NAFTA and CAFTA. Will you commit to renegotiate these pending pacts to eliminate their investor rules that allow private enforcement by

foreign investors of the FTA investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

Yes                      No

**Additional Comments:** Please see above.

12. Regarding the Korea FTA, will you commit to renegotiating the lopsided trade terms regarding automobiles and other products that the Bush Administration agreed to in the Korea FTA?

Yes                      No

**Additional Comments:**

### Procurement

13. Will you commit to negotiate procurement provisions in WTO, NAFTA and the various FTAs now in effect that undermine the ability of federal and state governments to use tax dollars to create and maintain good jobs by banning Buy America and similar preferences and the provisions that limits federal and state governments' ability to use procurement policy to achieve other important social goals, including safeguarding prevailing wage, renewable energy, and recycled content?

Yes                      No

**Additional Comments:** I am committed to ensuring that U.S. products and services are treated fairly in our international trade agreements. I will start with a reevaluation of NAFTA and a renegotiation effort to fix it, and I will ensure that U.S. products are treated on a level playing field with those of other countries. I will also task my U.S. Trade Representative (USTR) with exercising our rights at the WTO and ensuring that U.S. products and services are not unfairly and illegally discriminated against abroad. I will increase resources for the underfunded-USTR Office so it has the tools it needs to carry out its responsibilities to the federal government and the American people. I will also end tax breaks for companies that ship America jobs overseas and shift those incentives to companies that keep and maintain jobs here in the U.S.

I attest that these answers represent my beliefs and positions, and may be used by Pennsylvania Fair Trade Coalition to keep its partner groups and the public informed about trade issues.



April 2, 2008

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Signature

Date

Thank you for completing this Questionnaire. We would like to act as a resource of information to you and your campaign on trade issues. We look forward to working with you over the period of your candidacy, and thereafter.

