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USW Urges Prioritizing Workers in Renegotiation of NAFTA

New agreement must establish strong labor standards

(Pittsburgh) – *United Steelworkers (USW) International President Leo W. Gerard released the following statement today after the Administration notified Congress of its intent to begin the renegotiation of the North American Free Trade Agreement (NAFTA).*

“For decades our union’s membership has suffered from the devastating effects of failed trade agreements. Our members look towards these negotiations to correct past mistakes with the knowledge that their jobs are at stake if the status quo continues. We urge the leaders of Canada, Mexico and the United States to forge a path towards an agreement which puts working people first.

“More than twenty years of NAFTA has failed to bring the promised prosperity for working people, no matter their country. In the United States and Canada millions of manufacturing jobs and tens of thousands of plants have closed because of a trade model which put investors and corporate profits over the needs of families and Main Street.

“These countries have also run consistent trade deficits in goods with Mexico that have only increased since NAFTA went into effect. Just this last year the United States ran a \$63.2 billion trade deficit in goods with Mexico, and Canada in 2015 ran a \$24.6 billion merchandise deficit.

“Inadequate programs to address job displacement and a tacit acceptance that some jobs will just go away are not acceptable. The promised jobs that supposedly would have replaced them did not materialize, and those that have are lower paying and cannot support a family like the tens of thousands of jobs that have been sacrificed under NAFTA.

“Meanwhile global capital has flooded into Mexico. Yet the lack of will to establish strong labor and environmental standards by the leaders of all three countries has left millions stranded in poverty and low wage jobs, without the tools necessary to improve workers' lives.

“The Mexican government's policy of supporting corrupt, employer-dominated ‘protection unions’ has prevented workers from organizing and suppressed wages. In 2014, over 20.5

million more Mexicans lived below the poverty line than in 1994 when NAFTA passed, while the rest of Latin America saw a drop in poverty that was more than five times as much as that of Mexico. Workers, no matter their country, feel the impact of failed trade policies.

“Negotiators must address the economic inequality caused by trade policies that placed corporate rights over the rights of citizens. The USW believes there is a route forward, but this process must begin and remain more transparent than any previous negotiation.

“Trade policy must be negotiated under the eye of public scrutiny and provide for public participation. The Congresses in Mexico and the United States and the Parliament in Canada must be consulted and able to provide input. They must be real partners in the negotiations not simply boxes to be checked as negotiators rush to reach an agreement.

“We urge negotiators to lead on a strong Rule of Origin policy. For example in the automobile industry where the USW has more than 300,000 members who manufacturer materials which can go into vehicles, we urge our leaders to increase the duty-free qualifying threshold to 90 percent domestic content. Negotiators should not just look to where materials are assembled to count them for free trade status but how they are made. Goods like auto parts and steel from non-NAFTA countries such as China cannot just be nominally modified in a NAFTA partner and count for duty free status.

“Labor rights must also be central to a NAFTA renegotiation and lock partners into enforceable standards which will allow for a free and independent labor movement in all countries. A framework must be put in place which will ensure timely remedy of labor violations and permit transnational bargaining.

“NAFTA negotiators must also work towards a common enforcement strategy which will address and create enforceable standards to control currency manipulation, illegal dumping and subsidization, and state owned enterprises. A future trade agreement must ensure the benefits of trade are not abused by non-party countries.

“USW members in the United States and Canada will work within our strategic alliance with the Mexican Mine and Metalworkers union to hold negotiators accountable. Today’s announcement must be followed by tangible results which benefit working people and lead to shared prosperity.”

The USW represents 850,000 workers in North America employed in many industries that include metals, rubber, chemicals, paper, oil refining and the service and public sectors. For more information: <http://www.usw.org/>.

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