Congressman Adam Smith To Oppose Trade Promotion Authority

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*Congressman Adam Smith released the following statement opposing Trade Promotion Authority:*

“Trade Promotion Authority (TPA) and the Trans Pacific Partnership (TPP), as they are currently being discussed, do not do enough to protect workers and the environment at home and abroad.

“The biggest problem facing our economy is a vanishing middle class. Corporations are incentivized to value customers, shareholders, and executives over their workers resulting in less take home pay and benefits. This is evidenced by the bottom 90 percent of Americans owning just 23 percent of total U.S. wealth. TPA and TPP are far from the only or even largest contributors, but they provide the wrong incentives allowing corporations to grow and benefit from undervaluing workers both here and abroad.

“This trade framework is skewed to benefit corporations; an example of this is the investor-state dispute settlement. This mechanism gives corporations the private right to sue countries directly for what they may deem to be discriminatory, unfair, or arbitrary treatment by the host government. Meanwhile, workers do not have the same right to action should a country violate its worker or environmental obligations under the agreement. For example, if a corporation perceives that it is negatively impacted by a country’s enactment of a safety or environmental protection law it has the right to sue that country. However, violations brought by labor or environmental groups must go through a long and cumbersome process through the U.S. Government that can take several years.

“I believe in the benefits of trade and I have supported trade promotion authority and many trade deals in the past. But I voted against the Central American Free Trade Agreement precisely because it lacked protections for labor and the environment. In 2007, the May 10th Agreement was reached and it provided enforceable protections for workers and the environment. However, the promises of this agreement have not yet been fully realized and much more work is left to be done. Although on paper enforcement standards have improved, our government has not demonstrated to American and international workers its commitment to fully doing the job.

“I often hear an argument in support of TPA and TPP that if we don’t set the rules in Asia and the Pacific, China will do so. Although clearly better than China’s, our record is not stellar either. The 2013
Rana Plaza collapse in Bangladesh killed over 1,100 garment workers and injured 2,000 more due to a failure to ensure safe working conditions for workers. There were several American companies whose products were made at that factory by subcontractors with terrible labor and safety practices. Corporations should not skir their responsibilities by using willful ignorance or global supply chains as an excuse to absolve them of their responsibility to ensure the health and safety of workers.

“Currency manipulation is another problem that remains unaddressed. Until we find an effective way to ensure that other countries cannot devalue their currency to boost their exports, U.S. gains from trade will be limited. Finding a solution to currency manipulation matters to American workers and businesses. This agreement does not address this issue in a meaningful way.

“These concerns aside, I would be more inclined to support a trade deal if I believed that American and global corporate culture was committed to paying workers fairly and ensuring their safety in the workplace. However, skyrocketing executive pay and huge stock buybacks at the expense of worker compensation convince me that there is an insufficient commitment to preserving the middle class. Too many businesses value executives, shareholders, and customers over workers, who today are not being adequately compensated for the work they do.

“I grew up in the SeaTac area where my father worked as a ramp serviceman for United Airlines and my mother stayed at home to raise the family. As a blue collar worker in the 1980s, my father was a member of the union and was paid $16 an hour with benefits. His job allowed him to provide for my family and to support my educational and professional goals. Unfortunately, his job today would pay only $9.73, making it impossible for a family to enjoy the financial security and upward mobility mine did.

“Trade agreements should create sound incentives and reinforce business cultures that value workers, as they have the ability to help spread these practices worldwide. We must do more to support the companies in the 9th District and around the country that are doing so already. Unfortunately, Wall Street and trade deals too often reward these companies’ competitors that improve their bottom line by shortchanging their employees—many of whom are not being adequately compensated for their work.

“In voting against TPA, it is my hope the Administration will take a step back and better engage on strengthening compliance with worker and environmental protections through trade agreements. When I supported trade agreements in the past, I believed the commitment to strong enforcement would result in tangible improvements. I want to be able to support future trade agreements, but until our record improves, these deals will fail to deliver on their promise of shared economic prosperity for American businesses and workers.”