

March 12, 2008

The Honorable Hillary Clinton  
The Honorable John McCain  
The Honorable Barack Obama

Dear Senator \_\_\_\_\_:

We are writing to you on behalf of the more than 1,000,000 active and retired members of the United Steelworkers Union (USW) to request that you clearly articulate your views on the competitive challenges facing our nation. Your views will be especially important to the more than 175,000 of our active and retired Steelworkers in Pennsylvania as they evaluate how they will cast their votes in the upcoming presidential primary on April 22. We intend to share your responses, along with our evaluation of your approach, with our membership to help them make their decision.

Economic issues have risen to the top of the list of concerns that the public has as they evaluate the many important challenges facing our country. More than 3.3 million manufacturing workers have lost their jobs and more than 40,000 facilities have closed their doors since 2000, and the economic devastation continues to spread across this country putting at risk the homes, lives and livelihoods of countless Americans. The unacceptably high trade deficit – now running at the rate of roughly \$2 billion per day – is unsustainable. We are mortgaging our economic future.

While components of the economic issue have been discussed during the campaign, the question of international trade and our competitiveness received prominent attention in the recent Ohio primary. Although virtually every state has been hammered by our nation's failed trade policies, Ohio, Pennsylvania and other states which rely on manufacturing production and employment for significant portions of their state economies have been particularly hard hit.

These issues deserve greater attention and are of particular interest to the USW. Our union is the largest manufacturing union in North America with workers in industries ranging from auto parts to basic metals, chemicals, glass, rubber, wood and paper products, mining and many others. The negative impact induced by the nation's failed trading policies fall unrelentingly on our members.

In Ohio, much attention was paid to the failed approach taken in the North American Free Trade Agreement (NAFTA) and its continuing negative impact on our country. While NAFTA was a seminal event in the accelerating effects of globalization, and represents a completely flawed approach, the exclusive focus on it distracted attention from more recent failures of trade policies whose impact has been of even greater magnitude. Yes, NAFTA must be changed. Much more, however, must be done. If we fail to address our nation's trade deficit, the

enormous challenge poised by China, unfair and predatory trade practices, as well as make other changes in our policies, workers and communities will continue to be victimized by shuttered factories and shattered dreams through no fault of their own.

Simply put, America faces a trade crisis: Our trade deficit with China rose once again last year to a historic level. In addition to a flood of products crossing our shores fueled by subsidies and unfair and predatory trade practices, our citizens are now being subjected to unsafe, unhealthy, and sometimes deadly products, resulting in large part from China's lax, unenforced or non-existent safety rules.

Company after company has picked up and moved operations to China with the goal of reaping the benefits of low wages, unsafe working conditions and an inhumane disregard of workers' rights. Many of these companies have transferred technology which has helped accelerate China's position as an export powerhouse. Indeed, almost 60% of China's exports to the U.S. come from foreign-invested enterprises. In their wake, too many people have seen their wages stagnate, decline or disappear, along with their.

The Bush Administration has largely relied on dialogue to achieve results. There are few, if any, concrete gains. Results must not be measured in the number of words contained in press releases and communiques, nor the number of agreements that are signed, but by the jobs and opportunities that are created for working people across this country. We can not talk our way out of this trade crisis.

The next President has the opportunity to chart a different course. On behalf of our members, and working people across this country, we would like your specific, detailed thoughts and responses regarding the following issues and questions:

**Trade deficit.** Our nation's current account deficit is approaching 6% of Gross Domestic Product. Most reasonable economists view the trade deficit as unsustainable as it continues to be a drag on economic growth and undermine our ability to invest in our future.

t Do you believe that the trade deficit is a problem and, if so, what specific steps will you take to reduce it?

**Trade agreements.** The Bush Administration appears ready to submit to Congress the U.S.-Colombia Free Trade Agreement despite the fact that the model upon which it is based is fundamentally flawed and Colombia has shown itself to completely disregard human and labor rights as it has failed to take any sufficient action to stop the murders of union members and their leaders or bring the perpetrators to justice. This follows the Bush Administration's negotiation of numerous trade deals, including the U.S.-Peru Free Trade Agreement, which have only fueled a rising trade deficit and rising economic inequality, job and wage losses.

t Do you believe that the labor and environmental provisions in the recently approved U.S.-Peru Free Trade Agreement go far enough in promoting progress on these

issues?

t Do you support negotiating new bilateral or regional free trade agreements?

t Do you support the conclusion of the WTO Doha Round based on the present negotiating framework? If not, what changes will you seek?

t What specific changes, if any, do you believe should be made to NAFTA? If our trading partners refuse to renegotiate, will you exercise our right to terminate the agreement?

**Trade negotiating authority.** Fast track trade negotiating authority has now lapsed because the public and their elected representatives in Congress have lost faith in the President's willingness to negotiate agreements in their interests. As well, the partnership between Congress and the Administration has broken down as the President has refused to follow Congressional negotiating objectives.

t Do you intend to seek fast track trade negotiating authority?

t If you intend to seek fast track trade negotiation authority, will you support Congress having the ability to vote on an agreement before it is signed to ensure that its views are clearly included in a final agreement?

**Government induced currency misalignment.** We strongly support the provisions contained in the bipartisan Ryan-Hunter Currency Reform for Fair Trade Act (H.R. 2942) in its strengthened form. Government induced currency misalignment has had an extremely corrosive impact on our nation's manufacturers and their workers. Provisions must be enacted that ensure prompt action, that do not require proof of "intent," and that allow for currency manipulation to be considered an illegal subsidy or in anti-dumping proceedings, among other provisions.

t Do you believe that China's currency is misaligned due to government policies?

t Do you support H.R. 2942? If not, why?

**Strengthening U.S. trade laws.** It's time to update our trade laws to ensure that they effectively address foreign unfair and predatory trade practices and that our laws are faithfully implemented to fight for the interests of our workers, farmers and businesses. Section 421 was created as part of China's WTO accession to give the U.S. a tool to respond to surging imports. On four occasions, the International Trade Commission held that the threat of injury was clear and that relief should be granted. In each instance, President Bush turned his back on U.S. producers and their employees. In two of those cases it was our members whose lives were irrevocably altered when they lost their jobs. The President's discretion in this and other areas must be reduced, if not eliminated.

t Will you support decisions of the International Trade Commission to provide relief to domestic industries and their workers? If not, under what circumstances to you believe it is appropriate to deny relief to those who are simply seeking to have our trade laws faithfully applied?

t Do you believe that the President has all the tools to act to reduce our trade deficit and ensure that fair trade takes place, or is there additional authority that you intend to seek?

**Food and product safety:** The dramatic rise in the flow of trade has brought with it a concomitant rise in the number of unsafe and unhealthy products entering our country. We must have adequate standards, rules and enforcement tools to ensure the health and safety of our people. As Secretary of Health and Human Services Michael Levitt said, “we cannot inspect our way to safety”. Therefore, while we must do our best to enhance our inspection and interdiction infrastructure, we must apply market-based principles to ensure that importers are liable for the products they bring into this country. Only they have the power to go up the stream of commerce to demand that their suppliers engage in safe practices when they provide them with the products they import, and the need to enforce that power must be legislatively mandated.

t Will you support H.R. \_\_\_\_\_/S. \_\_\_\_\_ which require that importers have adequate recall and product liability insurance to compensate consumers when they are adversely affected by unsafe or unhealthy products?

t Will you support mandatory country of origin labeling for all consumer products so that families know where the products they buy come from giving them the ability to protect their health and safety?

t Will you provide additional resources and enforcement authority to ensure that products are adequately inspected before they enter the stream of commerce?

**Dumping enforcement.** Our trade laws exist to ensure that unfair and predatory trade practices will not go unanswered. Unfortunately, utilizing our trade laws often requires that domestic parties expend substantial resources to fight for their interests. Yet, even after our trade laws have been found to have been violated and that a remedy should be applied, the fight may not be over. Between 2001 and 2006, more than \$700 million in duties were not collected by Customs and Border Protection. Of this amount, almost 80% of the uncollected duties were from imports from China.

t Will you direct your administration to collect all duties that are owed?

t Will you support additional legal authority so that the Administration has all the tools necessary to ensure that importers cannot avoid paying duties that are legally owed?

t Will you support legislation to give the ITC broader authority to penalize foreign companies when they fail to provide information in the form and manner required to the conduct of a proper proceeding so they cannot game the system?

In another vital area, we find that our trade laws may act to penalize U.S. industries that seek to reduce the impact of foreign unfair trade on their operations while also seeking to avail themselves of the trade laws that we have on the books. A good case in point is the recent coated free sheet paper case where dumping margins were announced by the Department of Commerce but the International Trade Commission found that injury had not occurred. The ITC's misguided approach was based on the fact that injury had *already* occurred to USW members and employment had dropped and other downsizing had taken place.

t Will you support legislative efforts to allow the ITC to consider injury that has already occurred in determining whether to provide relief in a dumping case?

**Countervailing duty/nonmarket economy (CVD/NME) Legislation.** Congress is considering legislation (H.R. \_\_\_\_\_) to ensure that our countervailing duty laws are applicable and effective in addressing the practices of non-market economies like China. Passage of this legislation is vital to attack the pernicious and pervasive subsidies which China regularly employs to assist its producers. China has failed to adequately abide by its international commitments in this important area and the devastating impact of its actions must not go unchallenged. Authority should be expanded to ensure that we can effectively respond. Congress should also ensure through legislation that the application of the antidumping law is unaffected by a finding that the countervailing duty applies to a NME country. In addition, the valuation of the factors of production methodology must be strengthened.

t Will you support H.R. \_\_\_\_\_ and will you ensure that your Administration takes actions to ensure that the regulations are strengthened and effectively applied?

**Market Economy Status:** The Department of Commerce is currently considering whether it should apply market-economy treatment to individual companies in antidumping cases involving China. There is no evidence that China is a market economy and one cannot disassociate individual sectors, industries or companies from the overall impact of China's policies. Indeed, when China joined the WTO it agreed to be subject to non-market economy treatment for a period of up to 15 years. Accelerating this process on a country-wide or more limited basis could seriously undermine the effectiveness of our trade remedies and our ability to fight for our members' jobs.

t Will you oppose efforts to apply market economic status either generally or on a limited basis for China unless Congress, by joint resolution, approves of such a change in status?

**Continued Dumping and Subsidy Offset Act.** The U.S. never agreed to provisions at the World Trade Organization that addressed the question of what use dumping duties may be put to once they are collected. Unfortunately, the WTO imposed new obligations on the U.S. that were not agreed to through negotiations that led to the repeal of provisions that allowed dumping duties to be used by adversely affected producers to reimburse them for expenditures they have made to remain competitive after facing injurious imports.

t Will you support efforts to reinstate the Continued Dumping and Subsidy Offset Act and demand that the WTO's overreaching actions stop?

**Zeroing.** The World Trade Organization (WTO), overreached in its efforts to limit the ability of the U.S. to use the "zeroing" methodology in antidumping proceedings. Doing so would seriously undermine the utility of our dumping laws and risk the jobs of USW members.

t Will you require that your Administration maintain its current "zeroing" methodology and refuse to accept WTO efforts to limit U.S. authority in this area?

**Bratsk:** Congress must act to reverse the Federal Circuit's recent decision in Bratsk Aluminum Smelter, et al. v. U.S., et al., where new obligations imposed by the court on the International Trade Commission will make it much more difficult for domestic parties to offset the impact of unfair trade. A producer and its workers who get injured in international trade deserve to know that their government is going to stand by them and that a remedy can be applied.

t Will you support efforts to reverse the Bratsk decision?

**Illegal logging:** Statutory guidance must be enacted to ensure that our government acts to stop imports of products made with illegally harvested timber – either in the country engaging in the illegal harvesting or through downstream purchasers of those products. Illegal logging has not only had devastating environmental repercussions, but has resulted in the loss of thousands of Steelworker represented jobs here in the U.S. in the paper and wood product sectors.

t Will you support effort to updating the Lacey Act to provide additional authority to prohibit the importation of products from illegal logging?

t Will you direct your Administration to consider the benefits of illegal logging as a financial subsidy to foreign producers that can be addressed by our unfair trade laws?

Our members are deeply interested in these issues. They have been on the front lines in the battle against unfair trade and have experienced, first hand, the impact of foreign protectionist and predatory practices. They will be deeply interested in your answers to the above questions.

We look forward to your prompt reply.