

Senate Transportation, Commerce and Workforce
Senate Resolution 376 - Opponent Testimony
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Chairman McColley, Vice chair Thompson, Ranking Minority Member Antonio and members of the Senate Transportation, Commerce and Workforce Committee, thank you for the opportunity to submit written testimony today. My name is Tim Burga and I am the President of the Ohio American Federation of Labor and Congress of Industrial Organizations (Ohio AFL-CIO). The State Federation represents over 600,000 organized workers in every sector of employment: from teachers to steelworkers, nurses to mineworkers, public employees to bricklayers, and everything in between. I am proud to write to you today on behalf of our union members and Ohio's working families in opposition to Senate Resolution 376, which urges Congress to adopt the trade agreement between the United States, Mexico and Canada, also known as USMCA or NAFTA 2.0.

NAFTA and subsequent trade deals have been a disaster for the U.S. manufacturing sector. According to the Economic Policy Institute, Ohio has lost about 106,000 blue-collar jobs because of NAFTA, as manufacturing plants closed and relocated to Mexico. That's because NAFTA was written to enrich corporations at the expense of working people, providing a massive windfall for corporations and massive pain for Ohio families. What's worse, it soon became the template for other anti-worker trade agreements, perpetuating a vicious cycle of multinational corporations outsourcing jobs to low-wage, low-standard regions and destroying the livelihoods of working families in the process.

After a quarter-century of this race to the bottom, working people are fed up and demanding a better way forward. We are hungry for a North American trade deal that lifts wages and improves livelihoods. But make no mistake: The deal the Trump administration is pushing on Congress falls short of what we need and deserve.

President Obhof claimed in his testimony that this trade agreement will be different because the USMCA's "enforceable labor standards will enable the American worker to compete on a level playing field, while improving wages and labor standards among our trading partners." One of the standards that proponents hold up as an example is a requirement that at least 40 percent of vehicles made in Mexico must be assembled by workers "making at least \$16 an hour." As written, the deal allows any party to block an enforcement proceeding by refusing to

appoint arbitrators to a dispute panel. And the \$16 wage rule is an average, not a floor, so it includes engineers and other highly paid white-collar workers. This flaw would allow Mexican auto factories to continue to pay the vast majority of workers poverty wages.

To win working peoples support, the treaty needs a robust enforcement mechanism to make sure Mexico keeps up its end of the bargain to truly implement and enforce long-overdue labor reforms, allowing working people to form real unions and negotiate better wages and working conditions. While the Mexican government has taken steps in the right direction, this proposal has no way of ensuring that they continue following through on their promises.

This deal needs to mandate transparent reporting and strong, guaranteed consequences for violations. With working people in Mexico currently facing wages as low as \$2 per hour or less, we cannot accept a deal that doesn't have the enforcement tools to raise standards for working people in all three NAFTA countries.

Under the proposed deal, any party can unilaterally shut down a settlement panel investigating trade violations. That's akin to giving an accused thief the right to shut down his own trial. Negotiators had gotten rid of this loophole in recent trade agreements, so to turn back now would be another unacceptable concession to multinational corporations. If a trade deal cannot be enforced, then it's not a deal at all.

Finally, the administration needs to rein in pharmaceutical corporations' monopoly over prescription drug prices. The new USCMA would lock in exorbitant prices for life-saving medicines for a decade — a massive giveaway to Big Pharma and a blow to working families across Ohio.

These are the most egregious issues, but there is a range of other problems with the current proposal that also need to be addressed, from allowing corporations to hide the origins of our food to leaving high-wage jobs vulnerable to continued outsourcing.

While I am glad that this much needed debate is happening right here in Ohio, Senate Resolution 376 falls short of what Ohioans need from our state Senate on this matter. This body should be urging Congress to correct the issues outlined above before bringing the USMCA up for a vote. For too long, Ohioans have suffered from lost jobs and lower wages because of "free trade" deals that place the interests of multinational corporations over our workers. The USMCA as written is just more of the same failed policies. I urge this committee to vote NO on Senate Resolution 376 and instead ask Congress to change the USMCA so that it works for working families.

Thank you for taking the time to read my written testimony opposing SR 376. Please do not hesitate reaching out to my office with any questions.