June 18, 2015

Dear Senators and Representatives:

As former Secretaries of Labor, we are concerned that you will soon be asked to provide expedited "Fast Track" privileges to the Trans-Pacific Partnership (TPP), a trade deal we believe will harm America's working people. We urge you to reject Fast Track and the TPP.

The TPP includes 12 countries representing 792 million people and about 40% of the world economy. Formal negotiations have been underway for more than five years, but most Americans have never heard of it and are even less familiar with its contents.

Certainly, free trade can be and has been beneficial in boosting economic efficiency. In the first three decades after World War II, free trade worked well for both America's producers and workers. Those trade deals were mostly about tariffs. Stronger safety nets combined with a robust labor movement ensured that gains from trade were widely shared, including with the workers whose labor contributed to the success of America's businesses.

However, in the late 1970s, our economy began to change, and our trade deals eventually followed suit. Instead of producing goods in the U.S. for American and foreign consumption, American corporations went global, outsourcing jobs and producing overseas. Partly as a result, millions of good-paying manufacturing jobs have disappeared.

Trade agreements have become far less about trade and far more about protecting investment and intellectual property abroad. And, increasingly, national health, safety, environmental, and labor regulations have been viewed as "non-tariff barriers" to trade and profits.

As it currently stands, the TPP incorporates the worst of the past models. Its patent provisions risk delaying or even preventing generic competition, thus keeping lifesaving medicine out of patients' hands. Its investment provisions allow global companies to receive government reimbursements for any regulations that reduce expected profits. Under such agreements, corporations have been reimbursed for such routine government decisions as the denial of a permit to build a hazardous waste-processing facility. Currently, global corporations are using this system to challenge plain packaging laws designed to keep kids from smoking.

The TPP also fails to include any provisions to prevent currency manipulation or promote action on climate change. This latter omission will likely serve as an added incentive to move production overseas as the U.S. begins work to achieve our own carbon reduction goals. These provisions, as well as the weak monitoring and enforcement of labor rights in existing trade agreements[1] make it likely that the TPP will accelerate, not arrest, the race to the bottom.

America needs trade agreements that address unfair trade practices such as currency manipulation, foreign subsidies to their own exporters, and violations of internationally recognized labor rights, such as child labor, , which protect workers in other countries as well as in the U.S. But it seems unlikely that the TPP will deliver either the jobs or the economic and geo-strategic goals promised – especially without full congressional participation.

Trade can work for working Americans, but only when Americans can effectively know about what is in a trade deal, and only when a trade deal is effectively designed to create more good jobs in America. This Fast Track mechanism toward the Trans Pacific Partnership is a bad deal for America.

Sincerely,

F. Ray Marshall
Secretary of Labor

Robert B. Reich
Secretary of Labor

[1] U.S. Government Accountability Office, "Free Trade Agreements: U.S. Partners Are Addressing Labor Commitments, but More Monitoring and Enforcement Are Needed," GAO-15-160: Published: Nov 6, 2014. Publicly Released: Nov 13, 2014, available at: http://www.gao.gov/products/GAO-15-160.