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LEGISLATIVE ALERT!

(202) 637-5057

October 11, 2011

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to oppose the proposed free trade agreements (FTAs) with Colombia, Korea and Panama. Working people in the U.S. and around the world are bearing the brunt of decades of flawed trade policy. We need Congress and the White House to focus on creating the millions of good jobs at home that we so desperately need—not passing more flawed trade deals. These trade agreements, negotiated by the Bush administration, incorporate too many of the disastrous policies of the past, rather than laying out a new and progressive vision for the future.

Instead of using valuable time and effort advancing these flawed agreements, Congress should instead focus on effective job creation measures, including currency rebalancing and enforcing existing trade laws. We need to invest in a modern, functional infrastructure; in a high-tech, high-skilled workforce; and in clean renewable energy. It is time to update our trade model for the 21st century so that it strengthens labor rights protections for all workers, safeguards domestic laws and regulations, and promotes the export of U.S. goods rather than jobs.

Colombia Free Trade Agreement

- **Violence:** Colombia is the most dangerous place in the world for trade unionists. In 2010, 51 labor leaders were killed in Colombia, an increase over 2009 and more than in the rest of the world combined. So far in 2011, another 23 have been killed. The Government of Colombia has been unable to effectively guarantee the rule of law to allow workers to exercise their legal rights without fear of violence.
- **Impunity:** Impunity in cases of violence against trade unionists remains high, with more than 95 percent of cases unsolved.
- **No Opportunity to Exercise Fundamental Rights:** As a result of this campaign of violence, as well as labor laws that continue to be riddled with loopholes and inconsistent and weak enforcement efforts, only four percent of Colombian workers are unionized today, and only one percent of workers are covered by a collective bargaining agreement. Most workers lack freedom of association, the ability to engage in collective bargaining, and the right to strike effectively.

- **Labor Action Plan Inadequate:** Colombia's Labor Action Plan (LAP), agreed to by Presidents Barack Obama and Juan Manuel Santos, has failed to achieve improvements on the ground for Colombia's working families. As the AFL-CIO argued when the LAP was announced on April 7, 2011, despite the commitment to issue new laws and regulations and institute other measures, nothing in the Labor Action Plan requires Colombia to establish a sustained, meaningful, and measurable record of enforcement of these commitments prior to the ratification or implementation of the Colombia Trade Agreement.
- **No Tangible Results:** Once the agreement is in force, the United States will have lost its most important leverage to improve the human rights situation in Colombia. To date, the Government of Colombia has fallen far short of compliance with the Labor Action Plan. While limited progress has been made in some areas, the Government of Colombia has failed to meet many key commitments or produce noticeable changes in workers' ability to exercise their rights. As noted previously, 23 unionists have already been killed this year in Colombia—16 since the announcement of the Labor Action Plan. There is little doubt that Colombia will again earn the shameful distinction of being "the most dangerous country in the world for trade unionists" in 2011.

Korea-US Free Trade Agreement

- **Job Loss:** The Korea FTA is the largest trade deal of its kind since NAFTA. The Economic Policy Institute estimates the Korea FTA, if enacted, would displace 159,000 U.S. jobs—mostly in manufacturing.
- **Kaesong:** The Korea FTA does not adequately protect against goods or components from the Kaesong Industrial Complex, a sweatshop zone in North Korea where workers have few rights and earn an average wage of \$61 a month. Kaesong provides \$20 million a year to the dangerous North Korean regime.
- **Weak Rules of Origin:** In order to qualify for a reduced tariff under the Korea FTA, automobiles need only have 35 percent U.S. or South Korean content—meaning up to 65 percent of the content of autos traded under the deal could be from other any other country, including China.
- **Transshipment:** South Korea has already reported an increase in transshipped goods (primarily from China) illegally and improperly labeled "made in South Korea." This illegal transshipment is likely to increase further as unscrupulous businesses take advantage of reduced U.S. tariff rates specified in the Korea FTA.

Panama Free Trade Agreement

- **Investment, Financial Services, and Procurement Problems:** The Panama FTA contains similar flaws as other past trade agreements, including:
 - Investment provisions that give foreign investors the right to bypass U.S. courts to challenge our domestic health, safety, labor, and environmental laws.
 - Provisions that reduce our ability to re-regulate the financial sector; prevent banks from becoming "too big to fail"; or even require that taxpayer money be used to "buy American" and create local jobs.
- **Labor Rights:** Panama has a history of failing to protect workers and enforce labor rights.

- **Tax Haven:** Panama is known as a “tax haven,” with a history of attracting money launderers and tax dodgers. The Tax Information Exchange Treaty that Panama recently signed may be too weak to fix the problems. Only time will tell if Panama will live up to its promises.

American families need a new way forward on trade, not more of the same. So long as these agreements fall short of protecting the broad interests of American workers and their counterparts around the world in these uncertain economic times, we will oppose them.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written in a cursive style.

William Samuel, Director
GOVERNMENT AFFAIRS DEPARTMENT