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LEGISLATIVE ALERT!

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Dear Representative:

We are writing to express our strong opposition to H.R. 6346, the omnibus trade bill introduced last night by Representative Thomas. H.R. 6346 attempts to address several disparate and difficult trade issues in a single piece of legislation, with inadequate time for the debate and serious consideration that each of these issues deserves. The legislation addresses issues of great importance to workers and domestic producers, such as protection of workers' rights, rules of origin, and the terms for extending unilateral preference programs.

We have serious concerns about several issues, particularly the extension of Permanent Normal Trade Relations (PNTR) to Vietnam. The AFL-CIO opposes PNTR for Vietnam whether it is considered in broader legislation or as a stand-alone bill.

While the AFL-CIO supports expanded trade with Vietnam, and particularly supports programs and efforts to improve the living standards and conditions of Vietnamese workers, our trade relations with Vietnam should remain governed by existing agreements until Vietnam takes meaningful steps to bring practice and law regarding workers' rights into compliance with international standards. Such steps would not only benefit Vietnamese workers, but would contribute to the growth of the Vietnamese economy. As the Organization for Economic Cooperation and Development (OECD) pointed out in a 2000 report, *International Trade and Core Labor Standards*, "countries which strengthen their core labor standards can increase efficiency by raising skill levels in the workforce and by creating an environment which encourages innovation and higher productivity."¹ Vietnam's compliance with internationally recognized workers' rights and effective enforcement of its own labor laws is also crucial to assuring reasonable terms of competition for American workers and businesses.

Unfortunately, there have been no serious U.S. government efforts to improve labor laws and practices in Vietnam. In 2000, the U.S. signed a Memorandum of Understanding (MOU) on labor with Vietnam, in which both parties agreed to pursue cooperation and dialogue on various aspects of labor relations. However, few concrete improvements in Vietnam's labor laws resulted. The U.S.-Vietnam Bilateral Trade Agreement, which formalized the grant of annual normal trade relations, was signed less than a year later and was silent on labor rights. The U.S.-Vietnam Textile Agreement, unlike the path-breaking deal negotiated with Cambodia several years previously, contained no enforceable protections for workers' rights, only hortatory language. At the time, many members of Congress urged that the textile agreement include a

¹ The OECD also found in a 1996 report entitled *Trade, Employment and Labor Standards* that "any fear on the part of developing countries that better core standards would negatively affect either their economic performance or their competitive position in world markets has no economic rationale."

labor chapter or a Cambodia-style incentive program that would condition increased textile exports to the U.S. on verified improvements in labor rights. These proposals were ignored.

Today, Vietnamese workers in export manufacturing, many of them in foreign-owned enterprises, face dire working conditions characterized by low wages, forced overtime and hazardous workplaces. Vietnam denies its workers freedom of association, that is, the right to form independent unions free of government or employer interference. Vietnamese unions are explicitly and legally under government control, so they do not meet international standards.

The AFL-CIO calls on the U.S. government to insist that Vietnam make significant further steps to guarantee workers all core labor standards before the U.S. extends PNTR. Should PNTR pass without such changes, the U.S. will lose significant leverage in seeking improvements to the working conditions for millions of Vietnamese workers.

We are also extremely concerned about the terms proposed in H.R. 6346 regarding temporary and conditional extension of benefits under the Andean Trade Preferences program. Serious issues have been raised about the adequacy of worker rights provisions in the FTAs with both Peru and Colombia. In order to address these issues, renegotiation of both agreements will be necessary. We believe it would be counter-productive to impose arbitrary time limits and conditions on the extension of unilateral benefits at this time.

With respect to Haiti, the AFL-CIO has advocated the creation of a labor ombudsperson program, similar to that established in Cambodia in the bilateral agreement on extension of apparel quotas. Such a program would help ensure that the additional market access granted would truly benefit Haitian workers, by strengthening the institutional protections of their rights and working conditions. Such a program is essential in a country such as Haiti, where worker rights violations occur frequently, and the government lacks capacity to address them. We urge that any Haiti trade preference program include these important provisions.

We urge you to oppose H.R. 6346 so that each of the issues included can be addressed more thoughtfully in future legislation.

Sincerely,



William Samuel, Director
DEPARTMENT OF LEGISLATION