

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001



C. THOMAS KEEGEL
General Secretary-Treasurer

202.624.6800
www.teamster.org

May 12, 2006

VIA FACSIMILE

Dear Representative:

On behalf of the 1.4 million members of the International Brotherhood of Teamsters, I urge you to oppose the Oman Free Trade Agreement (FTA) when it comes before Congress, and urge the United States Trade Representative (USTR) to negotiate a new model for international trade that supports the rights of workers at home and abroad.

It is extremely disappointing to the Teamsters Union that the USTR would negotiate, and Congress would consider, a trade agreement with a country that does not even have unions or real collective bargaining rights. While the Teamsters appreciate the efforts that have been made to attempt to improve the labor laws in Oman, these improvements are far from what is necessary in order to ensure that the trade agreement is not used in a race-to-the-bottom.

Also, the promises that are being made by the Oman Sultan to Ways and Means are promises to be completed at a later date. It makes absolutely no sense from a negotiating standpoint to agree to a trade agreement today for promises of better labor laws tomorrow. There is no incentive once the agreement is approved, and as you have seen with Bahrain, these promises of a better tomorrow are not always so eagerly met since the trading country already has what it desires. It is also important to keep in mind that even if the Sultan of Oman decides to agree to the best of labor protections, there is nothing to prevent him or a future Sultan from weakening the laws in the future.

The labor laws in Oman are not in compliance with the Core International Labor Organization (ILO) Labor Standards, and the laws and practices themselves are of great concern. In Oman, instead of unions, there are "worker representative committees" which the government has extreme oversight and control. In addition the laws in Oman fail to explicitly protect workers who choose to engage in strikes or who experience anti-union discrimination for participating in the worker committees.

Under Omani labor law, foreign domestic workers and civil servants are excluded from protection for exercising their ILO core labor rights. Laws protecting workers from forced labor, one of the most basic ILO core labor rights, are continuously violated. According to the U.S. State Department, employers have withheld documents that release workers from employment contracts; employers also often hold workers' passports.

Oman also has a problematic record on trafficking in persons, calling to mind recent reports by the National Labor Committee and the American Center for International Labor Solidarity regarding Jordan. The U.S.-Jordan FTA has led to Jordan becoming an export platform haven for manufacturers. There is rampant and cruel worker abuse and an increase in sweatshops and human trafficking, which has increased dramatically since the implementation of the Jordan FTA, which has stronger labor provisions than currently in the Oman FTA. We can expect the same situation to be reproduced with the passage of the Oman FTA as currently negotiated, especially in light of the fact that such conditions already exist there.

Unfortunately, like the Central America Free Trade Agreement (CAFTA), the Oman FTA simply requires that each country enforce its existing laws. It does nothing to require that Oman improve its laws to reflect fairness to working people. There are also no safeguards in the agreement to prevent countries from explicitly weakening their labor laws. This "enforce your own laws" standard is a giant step backwards because once the Oman FTA becomes effective, there is no meaningful recourse since Congress gives up its Generalized System of Preferences (GSP) labor enforcement rights.

Under the Oman FTA, the only recourse for not enforcing "your own laws" is a capped fine at \$15 million annually—not paid by the violator to the victims, but paid by the government that failed to enforce its laws into a fund where the money is funded back to the violating country. In contrast, the Intellectual Property Rights (IPR) provisions in the Oman FTA requires that the country change its domestic civil and criminal laws in order to ensure strong enforcement of IPR rights. And if goods are produced in violation of the IPR provisions, the goods are confiscated and there are jail sentences, fines, and trade sanctions.

U.S. House of Representatives
May 12, 2006
Page 3

Finally, the Oman FTA provisions on investment, procurement, and services constrain our ability to regulate in the public interest, pursue responsible procurement policies, and provide public services. Moreover, the investment rules fail to ensure that foreign investors are granted no greater rights than domestic investors, violating Congressional negotiating objectives. I am also deeply concerned that the Oman FTA gives new rights to foreign investors to acquire control of various sensitive aspects of U.S. infrastructure, possibly even including ports since the USTR failed to include the same explicit carve-outs that previous trade agreements have had, thereby possibly making it difficult for the U.S. government to defend and protect our sensitive infrastructures. The very actions that Congress took to defend our ports from control by a Dubai-based company could be problematic under the Oman FTA.

In the last four years, U.S. workers have lost 3 million manufacturing jobs, many due to the failures of our trade policies. These same policies have resulted in another record-breaking trade deficit for 2005 of \$725 billion. Trade does not have to work this way. These trade agreements should protect our infrastructure, our domestic regulations, and workers' rights everywhere, not weaken them. Unfortunately, by using the same failed model as we saw in CAFTA, and actually making it worse, the USTR has failed to negotiate an agreement that will in fact uplift workers and the countries involved.

The Teamsters expect more. You should expect more. I urge you to oppose the Oman FTA.

Sincerely,

A handwritten signature in black ink that reads "James P. Hoffa". The signature is written in a cursive, flowing style.

James P. Hoffa
General President

JPH/yp1