

The 2009 “Trade Reform, Accountability, Development and Employment (TRADE) Act”

Setting Forth a Progressive Vision for Future Trade Agreements

Continuing a Fair Way Forward

- First put forward in the 110th session by Sen. Sherrod Brown (D-OH) and Rep. Mike Michaud (D-ME), “The TRADE Act” had 80 Congressional and Senate colleagues sign on in support over 2008.
- Trade champions Brown and Michaud worked with an array of labor, environmental, consumer, faith and family farm organizations to develop this vision of what a good trade agreement must and must not include.
- The bill received institutional backing from hundreds of labor, faith, farm and enviro organizations in 2008.
- Over 350 national, state and local civil society groups have already called for it to be reintroduced in 2009.

The Balanced Way to Expand Trade

- The TRADE Act marks out the policy space for a more balanced way to expand trade.
- It maps out a fair path forward, explaining what we care about in a good agreement.
- The bill shifts the debate towards discussing a new and improved trade and globalization model.
- It moves beyond repeatedly fighting against expansions of failed policies, and sets a marker for where new discussion should start later this year.

The Purpose of *the Trade Act*

- This initiative sets forth what we are for – shutting down the bogus claim that we oppose trade or have no alternative vision because we oppose past trade agreements.
- It serves as a marker, a message piece *and* a substantial piece of legislation. Much of this language should directly impact the drafting of future trade agreements and legislation, as well as help reframe the debate.
- This bill sets forth concrete ways to push our shared conviction that trade and investment are not ends unto themselves, but must also serve as a means for achieving greater societal goals.
- This bill also serves as a litmus test. By watching who cosponsors, and who does not, we know who our trade champions and chumps are in the future.

Answering the Failed Policies of the Past

- Pacts such as the North American Free Trade Agreement (NAFTA) and Central American Free Trade Agreement (CAFTA) have not met up to their basic promises.
- These agreements should be serving a majority of people on issues such as wages, public health, the environment, human rights, food and consumer safety and access to essential services.
- Instead, these “free trade” policies have come at great costs. The price we’ve paid in offshoring of jobs, downward pressure on wages, and damage to our environment and loss of family farms is far too great.

Next Steps

- We all know that there is nothing “free” about the high cost of the failed policies of the past.
- With the change brought about in 2008 elections, we need to fight for future agreements that serve a majority of people on public health, the environment, human rights, food safety and access to essential services.
- **To have your member of Congress join as a cosponsor**, please contact Kim Glas in Rep. Michaud’s office (kim.glas@mail.house.gov) or Chris Slevin in Sen. Brown’s office (Chris.Slevin@brown.senate.gov).

Policy Background on *The 2009 TRADE Act*

- **Review:** The bill requires the Government Accountability Office (GAO) to conduct a comprehensive review of the major trade pacts that comprise the model on which U.S. trade agreements have been based, such as NAFTA, WTO, and CAFTA. The review, which must be completed before new trade negotiations or congressional consideration of pending pacts, includes an assessment of economic outcomes in the United States and abroad and various security, human rights, social and environmental indicators. The GAO must also report on how the current pacts measure up to the bill's criteria with respect to what must and must not be included in trade pacts.
- **What Must and Must Not Be in All Agreements:** The bill contains a detailed description of the key provisions that must be included in all future U.S. trade agreements and what aspects of the current model must never again be replicated to ensure that trade pacts provide broader benefits. It sets forth the environmental and labor, food and product safety, agriculture, trade remedy, human rights, federalism safeguard and currency anti-manipulation rules and national security exceptions that must be included in all U.S. trade pacts. This section also lists what aspects of the NAFTA-WTO model cannot be included in future deals, including bans on Buy American and anti-sweat shop or environmental procurement policies; new rights and privileges for foreign investors to promote offshoring and expose domestic health and environmental laws to attacks in foreign tribunals; service sector privatization and deregulation requirements; and special protections for Big Pharma to limit affordable access to drugs. This section comprises over half of the bill, given that today 'trade' pacts extend far beyond traditional trade matters to cover so many different essential policy topics that are the crux of Congress' domestic agenda - from access to essential services such as health care and education to regulation of financial services to medicine patents to investment, procurement and local development policy to procurement and food and product safety policy.
- **Renegotiation:** The bill requires the President to submit a plan to address through renegotiation the gaps identified between our current major pacts and the criteria for what must and must not be included in U.S. trade agreements. The bill establishes a special congressional super committee chaired by the Ways and Means and Finance Committee chairs to work with the President on formulating this plan. The super committee also includes a role for the chairs and ranking members of other committees whose core jurisdiction is directly affected by today's expansive trade pacts.
- **Replacing Fast Track: The bill lays out criteria for a new mechanism to replace the anti-democratic Fast Track negotiating process.** To obtain agreements that benefit a wider array of interests, this new process includes Congress setting readiness criteria to select future negotiating partners; mandatory negotiating objectives based on the bill's criteria of what must be and must not be in future trade pacts; and the requirements that Congress must certify that the objectives were met, and then vote on an agreement before it can be signed. These criteria have been supported in AFL-CIO, Change to Win and National Farmers Union resolutions.