



working **together**
for **social** and **environmental justice**
in **trade policy**

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Pennsylvania Fair Trade Coalition 2008 Presidential Candidate Questionnaire

Candidate Name: **Hillary Rodham Clinton**

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The Pennsylvania Fair Trade Coalition (PAFTC) is a statewide coalition of labor, family farm, faith, environmental and student organizations whose mission is to work for socially, economically and environmentally just trade policies which promote a fair global economy and to oppose unjust, unsustainable trade policies.

Members of the PAFTC include: the Pennsylvania AFL-CIO, United Steelworkers District 10, United Students against Sweatshops, Mid-Atlantic Region, Pennsylvania Joint Board UNITE HERE, Communications Workers of America, District 13, International Union of Painters and Allied Trades District Council 57, A United Methodist Witness in Pennsylvania, Philadelphia Council, AFL-CIO, Pennsylvania Farmers Union, Steelworkers Organization of Active Retirees District 10, Pennsylvania Council of Churches, International Workers Association, Pennsylvania State Council of Machinists, Clean Air Council Brotherhood of Boilermakers, Local 13, Allegheny County Labor Council, Pennsylvania State Electrical

The Pennsylvania Fair Trade Coalition is sending questions to candidates to determine who is most focused on addressing the trade crisis effectively -- by rejecting further agreements based on the NAFTA model, renegotiating existing agreements and promoting a new responsible trade and globalization model.

The following questions will be shared with our PFTC member organizations. We strongly encourage you to supplement answers with additional explanations and rationale.

Background

We believe the NAFTA-WTO model of globalization has failed the U.S. and our trading partners. During the NAFTA-WTO era, we have seen *one out of every four* U.S. manufacturing jobs destroyed and real wages

decline as income inequity has soared. Since 2000 Pennsylvania has lost over 200,000 manufacturing jobs. Under the current globalization model, income inequality has increased not only within our country, but between countries with extreme poverty and hunger in Latin America, the Middle East, Africa and Asia. WTO and NAFTA have resulted in scores of attacks on domestic environmental, health and safety laws upon which our communities rely. WTO, NAFTA and NAFTA-style agreements ban Buy-America initiatives and other procurement policies which ensure our tax dollars are reinvested to provide American jobs and to promote good wages. These pacts limit our ability to inspect for the safety of imported products and food. NAFTA resulted in the displacement of over one million Mexican peasant farmers, increasing immigration to the United States from Mexico by 60 percent. Similar results are projected from CAFTA's agricultural provisions, even as the United States has seen the loss of tens of thousands of farms during the same period.

Imported Food and Product Safety

1. Both Democratic presidential candidates have stated that, as President, he and she would take urgent action to remedy the current flood of unsafe imported products and food into the U.S. market. Will you commit to renegotiating our current trade agreements to remove the limits on imported product and food safety standards and inspection rates now included in WTO, NAFTA and the NAFTA-style FTAs and to require that only products that meet our U.S. safety standards are allowed to enter our market?

Yes **No**

Additional Comments:

As President, I will take decisive steps to protect Americans from dangerous imported food and products. I will strictly enforce that importers and foreign producers of food, toys, and drugs meet American safety requirements.

I will mandate that U.S.-based food importers take responsibility for the items they bring into the country and require that producers of at-risk food receive special safety certifications – verified through independent testing – before being able to send items to the United States. I will direct the FDA to place more employees overseas to conduct facility inspections, and I will make FDA access to facilities and records a condition of entry to the country. And I will fine, prosecute, and punish importers who bring unsafe food into the United States.

For drug and medical device manufacturers, I will require unannounced onsite inspections as a condition of import. I will also strengthen our nation's import inspection system by doubling the number of FDA inspectors, ensuring that all at-risk food product shipments are inspected, and upgrading FDA testing labs.

If, by the time I am President, the Consumer Product Safety Commission Reform Act of 2008 has not been passed into law, I will take action to protect American consumers from unsafe products. I will establish a ban on lead in all children's products, and I would require that imported toys be tested by independent third-party testing organizations to assure they do not contain hazardous substances or otherwise pose serious risks to children. Upon completion of independent third-party testing, I will allow the Consumer Product Safety Commission to require that at-risk companies pay a bond, in order to protect consumers and taxpayers from fly-by-night foreign importers. I will also impose stiffer penalties and pursue criminal prosecutions against companies that put our children and citizens at risk; for example, I will raise the cap on fines for failing to report known hazards from \$1.85 million to \$25 million. Additionally, I will authorize a three-fold increase in the number of CPSC investigators,

compliance staff, and engineers who evaluate products, directing a significant number of the new hires be deployed as part of a strategy to meet the threat posed by imported children's products.

Agriculture

The top priority of each future trade agreement must be to provide farmers and ranchers across the globe an opportunity to receive a fair price for their commodities. Each trade agreement since the early 1990's has resulted in opening our borders to cheaper, lower-quality imported food, without regard to how it is produced or who produces it. The free trade agenda has decimated our nation's agriculture trade surplus in the last several years. Competitive imports are outpacing exports as a result of an unlevel playing field in agriculture, with American producers required to meet stringent labor, health, environmental and safety standards, while competitors are not.

2. Do you intend to limit future trade agreement negotiations to regulating domestic support levels, export subsidies and market access or shift the focus to require negotiations include addressing differences in labor standards, environmental standards, health standards and the trade-distorting effect of currency manipulation and cartelization of agriculture markets?

Yes, shift the focus

No

Additional Comments:

As President, I will ensure that trade agreements benefit American workers and farmers. At the beginning of my presidency, I will observe a timeout from new trade agreements until my administration has reviewed all of our existing agreements and has formulated a comprehensive trade policy for the 21st century that is pro-worker and pro-American. All new agreements must include strong and enforceable labor and environmental protections that elevate standards of living around the world and protect our workers from a race to the bottom, as well as making it harder for companies to ship jobs to countries where workers have fewer protections than they do in the United States.

I believe that we must also tackle head-on the currency manipulation in countries like China that is harming American interests. After years of neglect and half-measures by the Bush Administration, I am resolved to act aggressively to stop countries from harming American interests by undervaluing their currencies. In the Senate, I have co-sponsored two pieces of legislation that attempt to resolve China's currency manipulation. The first called for an additional 27.5 percent import duty on Chinese goods until the President certifies that China is no longer manipulating exchange rates and is complying with accepted market-based trading policies. The second established a protocol for identifying instances of currency manipulation and laid out steps to address it if it occurs, including disallowing the federal government to purchase goods from the country at fault. If China continues to artificially manipulate its currency, I would, as President, pursue these and other efforts to ensure that China plays by the rules.

Also, as President, I will also continue to pursue the agricultural priorities that I have championed as Senator. From my experience in New York, I know that local marketing, purchasing and distribution of food from our family farms are crucial. I have introduced with Sen. Brown the FOOD for a Healthy America Act, which addresses both the need to support local family farms with more direct-to-consumer marketing opportunities and the imperative to getting healthier, fresh food into underserved areas, particularly our schools. I also created the "Farm-to-Fork" initiative to develop new ways for family farms to make inroads into large consumer markets like New York City.

WTO and the "Doha Round"

The WTO “Doha Round” negotiations are designed to expand the existing WTO model rather than address the problems in the existing WTO rules. Among the proposals now on the table are new constraints on the use of U.S. anti-dumping, countervailing duty, and other trade laws. Under the existing WTO rules, the United States has lost 29 WTO challenges against its existing trade remedy laws.

3. Will you commit to ensuring that no such new limits are included in any new WTO agreement and that the existing rules are renegotiated to allow the United States to employ its trade laws to counter dumping, subsidies and other trade cheating?

Yes No

Additional Comments:

I support vigorous efforts to pursue the United State’s legitimate rights under international trade rules regarding the use of dumping duties and other trade laws.

4. As president, will you allow the current Doha Round at the WTO to continue?

Yes No

Additional Comments:

As President, my initial priority will not be to pursue new bilateral or multilateral trade deals, nor will it be on the fastest way of getting deals done. Instead, it will be to review, renegotiate, and enforce existing agreements and design trade policies that will truly benefit American workers.

That is why, as President, I will begin by taking a timeout from all new trade agreements until we have had an opportunity to both review all our existing agreements and to formulate a new, genuinely pro-worker, pro-American trade policy that will be vigorously enforced. This 21st century trade policy will allow us to better manage globalization, improve the lives of American workers, and elevate standards of living around the world. This includes insisting on the inclusion of strong labor and environmental provisions in all trade agreements so that American workers are not caught in a race to the bottom.

After the timeout, I will not pursue or sign any agreement that I do not believe protects American interests to the fullest extent possible. And I strongly believe that President Bush should not rush to sign other trade agreements on his way out of office.

Also on the table at the WTO Doha Round talks is a major expansion of the WTO’s General Agreement on Trade in Services (GATS) The Bush Administration has offered to bind the U.S. higher education sector to WTO jurisdiction which would limit U.S. federal and state government policy space regarding education policy. As well, new disciplines on the regulation of services, including limits on standards, professional qualifications and licensing are included in the Doha Round.

5. Will you commit to removing higher education from the U.S. Doha Round offer and opposing any Doha Round agreement that further limits non-discriminatory domestic service sector regulation?

Yes No

Additional Comments:

I am concerned about the Bush Administration's inclusion of higher education in the GATS negotiations. I will not support any agreement that would undermine the autonomy of our world-renowned higher education institutions. And, as mentioned above, I do not believe that President Bush should rush to conclude negotiations or sign any other trade agreements before he leaves office. When I am President, I will re-evaluate all of our existing trade agreements to ensure that they are benefiting our workers before moving forward with new trade agreements.

Existing U.S. WTO commitments regarding health insurance, hospitals, pharmaceutical distribution and other service sectors must be amended in order to implement key aspects of the health care reform proposals forwarded by both Democratic presidential candidates' health care proposals. For instance, the WTO forbids needs tests and exclusive provider arrangements in these sectors. The Bush Administration recently petitioned WTO to remove the U.S. gambling sector from WTO jurisdiction to restore our ability to regulate this service.

6. Will you commit to removing U.S. health care services from WTO jurisdiction so that urgently needed reforms can be implemented?

Yes No

Additional Comments:

As President, I will be committed to providing all Americans with quality, affordable health care. I am open to any changes necessary in our trade rules in order to achieve that goal.

China

In November 2007, the United States reached a new record annual trade deficit with China -- without December's figures even being calculated. Pennsylvania manufacturers are unable to compete when China grants enormous subsidies to foreign investors and misaligns its currency, which Federal Reserve Chair Bernanke calls "an effective subsidy."

7. As President, what steps will you take to address China's unfair advantage over Pennsylvania workers and manufacturers?

Response:

The Bush administration has failed to make China play by the rules. Consequently, our workers -- particularly those in manufacturing states like Pennsylvania -- have paid a price. That is why, as President, I will crack down on China's unfair trade practices.

First, I would crack down on China's currency manipulation. In the Senate, I have co-sponsored two pieces of legislation that attempt to resolve this issue. The first called for an additional 27.5 percent import duty on Chinese goods until the President certifies that China is no longer manipulating exchange rates and is complying with accepted market-based trading policies. The second established a protocol for identifying instances of currency manipulation and laid out steps to address it if it occurs, including disallowing the federal government to purchase goods from the country at fault.

If China continues to artificially manipulate its currency, I would consider one or more of the following actions: using the antidumping laws to adjust export prices to account for the price distortion caused by currency misalignment; disallowing the federal government to purchase products or services from

China; or directing U.S. banks to pause in issuing loans to China; and pressuring the IMF to consult with China.

Second, because currency manipulation is contributing to the trade deficit, we must deal with the trade deficit. I have co-sponsored legislation that will require the administration to address the ballooning trade deficit. The legislation would require the U.S. Trade Representative to develop a plan of action to reduce the trade deficit when it surpasses specific trigger points.

Third, as President, I will make enforcement of trade laws and trade agreements a priority. I will appoint a trade enforcement officer and double the enforcement staff at the Office of the United States Trade Representative. The current staff is too small to monitor and enforce the increasingly complex international trade regime.

Fourth, I believe the Department of Commerce should continue to use the non-market economy standard when evaluating anti-dumping cases against China. One-third of China's economy is still state-controlled, the government continues to heavily subsidize many important industries, and it has refused to allow its currency to appreciate.

Presidential Trade Negotiating Authority

Both Democratic presidential candidates have committed to opposing any further Fast Track/Trade Promotion Authority for President Bush. We are very interested in your thinking about what sort of trade authority you would seek as President. The AFL-CIO and the Change to Win labor federations passed resolution in 2006 calling for replacing the Fast Track/Trade Promotion Authority system with a new system that includes the following:

- A. Readiness criteria to determine appropriate negotiating partners;
- B. Binding obligations regarding what must and must not be in future trade agreements;
- C. The right of prior informed consent for states before they are bound to non-trade, investment, service sector and procurement rules in trade agreements; and
- D. The right for Congress to vote before agreements are signed.

8. Will you commit to replacing the outdated Fast Track/Trade Promotion Authority system with a new process that includes these core improvements?

Yes No

Additional Comments:

I oppose fast track authority for President Bush because he has failed to enforce our trade agreements and because he negotiates trade deals without particular concern for our workers. As President, I will take a timeout from new trade agreements. My priorities will be to review all of our existing agreements to ensure that they are benefiting our workers, and to craft a trade policy that is genuinely pro-worker, pro-American, and vigorously enforced. Our initial focus should not be on new trade deals, nor should it be on the fastest way of getting new deals done. It should be on enforcing the existing agreements and designing policies that benefit our workers.

I believe that the Bush administration's cooperation with Congress on trade policy has been abysmal. Under my administration, Congress will be a real partner not only in crafting a 21st century trade policy – one that places the same emphasis and enforcement mechanisms on labor and environmental standards

as it does on commercial provisions – but also in deciding which countries we should negotiate with in the first place.

But fast track is not all that requires addressing. Before entering into trade agreements, we must consider whether the country is a suitable partner for America. For example, I have opposed the trade agreement with South Korea because it did not do enough to level the playing field for American automotive workers. I have opposed the agreement with Colombia because of that country's history of violence against trade unionists. And I have opposed the agreement with Panama because the head of the country's National Assembly is a fugitive from justice in America.

NAFTA and NAFTA-Style "Free Trade" Agreements

We are pleased that both Democratic presidential candidates have committed to review NAFTA and renegotiate aspects of it. Senator Obama has also committed to adding enforceable ILO labor standards and environmental standards to our other existing FTAs and the WTO. Both candidates have committed to ensuring that future trade agreements do not include private investor-state enforcement systems and also ensure that state-state investment rules do not grant foreign investors and overseas companies greater rights than U.S. residents or businesses. Because they incentivize offshoring by removing the risks normally associated with relocating to low wage developing countries, the foreign investment rules in these pacts are the most direct causes of U.S. job loss and the downward pressure on American wages.

9. Will you commit to renegotiate NAFTA to eliminate its investor rules that allow private enforcement by foreign investors of these investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

Yes No

Additional Comments:

I have said that NAFTA was a mistake – it has not lived up to its promises. As President, I will work with Canada and Mexico to fix the agreement so that it works for America. I have a four-point plan to fix NAFTA and it includes changing the rules that allow private enforcement of investor privileges. Specifically, my plan calls for:

1. Dramatically strengthening NAFTA's labor and environmental provisions. Strengthening these provisions will elevate labor and environmental standards around the world, protecting our workers from a race to the bottom. It will also make it harder for companies to move jobs to countries where workers have fewer protections than they do in America. NAFTA's labor and environmental provisions are now in a side agreement rather than in the core text. The requirements are weaker than those I will demand in future trade agreements and weaker than those the Democratic leadership recently crafted. As President, I will bring NAFTA's labor and environmental protections up to date. I will make the standards far tougher and absolutely binding, and I will place them in the core agreement in order to raise living standards around the world.

2. Changing NAFTA's investment provisions that grant special rights to foreign companies. Under NAFTA, foreign companies can challenge American laws before special tribunals and outside of our court system. The laws that foreign companies can challenge include regulations intended to protect workers and protect the environment. I believe that trade agreements must elevate standards of living around the world, not empower corporations to hold them down.

3. *Strengthening NAFTA's enforcement mechanisms.* Stronger enforcement mechanisms will ensure strict compliance with the agreement and it will help remove trade barriers our companies may still encounter. I will apply the stronger enforcement mechanisms not only to NAFTA's commercial provisions, but also to its labor and environmental provisions.

4. *Reviewing NAFTA regularly.* Regular reviews will enable us to measure whether our workers and communities are reaping benefits, ensure that labor and environmental standards are improving, and allow us to assess whether the agreement requires additional changes going forward.

10. Will you commit to renegotiate CAFTA and the other FTAs now in effect to eliminate their investor rules that allow private enforcement by foreign investors of the FTA investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

Yes No

Additional Comments:

As President, I will observe a trade timeout until my administration has reviewed all existing trade agreements to fully determine how they have affected our economy. I do not believe that our trade agreements should give private investors any ability to circumvent U.S. laws, particularly with respect to regulations intended to protect workers and protect the environment. As part of my plan to fix NAFTA, I have called for revising the provisions that permit foreign companies to challenge U.S. laws before special panels rather than in courts. I believe that trade agreements must elevate standards of living around the world and not empower corporations to hold those standards down.

11. President Bush has negotiated and signed Free Trade Agreements with Panama, Colombia and South Korea that contain the foreign investor and procurement provisions included in NAFTA and CAFTA. Will you commit to renegotiate these pending pacts to eliminate their investor rules that allow private enforcement by foreign investors of the FTA investor privileges in foreign tribunals and that give foreign investors greater rights than are provided by the U.S. Constitution as interpreted by our Supreme Court thus promoting offshoring?

Yes No

Additional Comments:

I do not believe that our trade agreements should give private investors any ability to circumvent U.S. laws, particularly with respect to regulations intended to protect workers and protect the environment. As I mentioned above, as a part of my plan to fix NAFTA, I have called for revising the provisions that permit foreign companies to challenge American laws before special panels rather than in courts.

Also, I was opposed to the free trade agreements with Panama, Colombia, and South Korea because I did not believe they upheld the strict standards that I believe should be embodied in our trade agreements. As President, I will ensure that all free trade agreements I sign protect American workers and American jobs, and promote labor and environmental standards around the world.

12. Regarding the Korea FTA, will you commit to renegotiating the lopsided trade terms regarding automobiles and other products that the Bush Administration agreed to in the Korea FTA?

Yes No

Additional Comments:

I was opposed to the free trade agreement with South Korea. President Bush hastily signed the Korea free trade agreement before his fast track authority expired, and the consequence was a deal that will cost America jobs. Korea has a long history of blocking access to its car market, and yet the agreement has weak provisions for prying that market open. At the same time, the agreement further opens our own car market to Korean vehicles.

Procurement

13. Will you commit to negotiate procurement provisions in WTO, NAFTA and the various FTAs now in effect that undermine the ability of federal and state governments to use tax dollars to create and maintain good jobs by banning Buy America and similar preferences and the provisions that limits federal and state governments' ability to use procurement policy to achieve other important social goals, including safeguarding prevailing wage, renewable energy, and recycled content?

Yes No

Additional Comments:

As President, I will take a timeout from new trade agreements until my administration has done two things: reviewed all of our existing agreements to determine whether they are benefiting our economy and our workers; and crafted a comprehensive trade policy for the 21st century that is genuinely pro-worker, pro-American, and vigorously enforced. I have introduced the Trade Agreement Assessment Act so that all our trade agreements will be reviewed every five years. And I have committed to renegotiating NAFTA. As President, I will make trade work for working families.

As part of my plan to fix NAFTA, I have called for revising the provisions that permit foreign companies to challenge U.S. laws before special panels rather than in courts. The laws companies can challenge include regulations intended to protect workers and protect the environment. I believe that trade agreements must elevate standards of living around the world and not empower corporations to hold those standards down.

As Senator, I have voted for legislation to require the federal government to purchase American-made equipment with certain exceptions. And I have pledged to close the tax loopholes that reward corporations for moving jobs abroad. I have also co-sponsored legislation that will encourage companies to create and keep good-paying jobs in America.

I attest that these answers represent my beliefs and positions, and may be used by Pennsylvania Fair Trade Coalition to keep its partner groups and the public informed about trade issues.

Hillary Rodham Clinton

Signature

April 10, 2008

Date

Thank you for completing this Questionnaire. We would like to act as a resource of information to you and your campaign on trade issues. We look forward to working with you over the period of your candidacy, and thereafter.