

DOCKET NO. USTR-2017-0006

**TESTIMONY OF DAN MAUER
ON BEHALF OF THE COMMUNICATIONS WORKERS OF AMERICA**

JUNE 28, 2017

Good afternoon. Thank you for the opportunity to testify before you today.

My name is Dan Mauer and I am here to testify on behalf of the Communications Workers of America. CWA is a 700,000 member multi-sectoral union.

CWA members have been harmed badly by NAFTA. NAFTA's pro-offshoring provisions have resulted in thousands of call center jobs and hundreds of thousands of manufacturing jobs being offshored.

An even greater number of our members have been harmed by the way in which NAFTA undermines our bargaining power through its enabling of offshoring. Since NAFTA passed, whenever our members have sought better wages and working conditions, they are met with threats from the company to move jobs overseas, where workers are paid little and have few rights.

CWA has an extensive list of recommendations for replacing NAFTA that would fix these problems. They are outlined in full in CWA President Chris Shelton's June 12th letter to Ambassador Lighthizer. We also fully support the AFL-CIO's more in-depth recommendations submitted the same day.

Today, I want to focus on three areas that are especially important for CWA members.

Investment

First, CWA strongly urges you to remove the undemocratic, unaccountable and unfair "Investor-State Dispute Settlement" process currently contained in Chapter 11 of NAFTA.

ISDS has long been rightly criticized because it threatens the ability of sovereign nations to enact laws and resolve disputes through their own legal systems. At the same time, ISDS provides special incentives to offshore jobs to low-wage countries.

With ISDS, companies can safely offshore jobs, confident in the knowledge that they will have extremely strong legal protections—protections that are not enjoyed by workers, domestic businesses, human rights groups, or any other stakeholders.

It is outrageous that companies have substantively and procedurally better legal protections if they offshore jobs than they are afforded by domestic law, as is currently the case under NAFTA's Chapter 11.

Meanwhile, ISDS has been shown to have a chilling effect on the passage of public interest laws and rules, such as those that would establish better wages, worker rights and working conditions.

As such, the inclusion of ISDS in NAFTA strongly undermines American workers' bargaining power and wages and has facilitated the offshoring of thousands of jobs.

Labor

The second area of particular interest is labor rights. As you know, NAFTA's side agreement on labor has been a total failure.

Almost all Mexican workers who belong to unions do not belong to real, independent unions, but instead are forced into fake "protection unions" that are not democratically established and represent the interests of companies or the government instead of the interests of workers.

The result of this is that real wages in Mexico are currently almost identical to what they were before NAFTA, while the poverty rate has increased.

This situation harms Mexican workers and creates an unlevel playing field for American workers.

CWA strongly urges you to include a robust labor chapter with an enforcement mechanism that actually works in the replaced NAFTA. Any new NAFTA that provides weaker procedures for workers to enforce their rights than investors have to enforce theirs would be a slap in the face to American workers.

While more recent deals have included theoretically enforceable labor protections, those labor provisions have also proven totally ineffectual, as demonstrated by the recent CAFTA panel decision failing to remediate labor abuses in Guatemala.

CWA endorses in full the model labor chapter submitted by the AFL-CIO. In particular, we urge you to require adoption and compliance with all eight International Labor Organization Core Conventions; to provide legal protections for workers to organize and bargain across national borders; and to allow for sanctions against goods made by workers with sub-livable wages, with the proceeds remitted to the underpaid workers.

Call Centers

Lastly, I have two recommendations that would help put an end to the ongoing problem of call center offshoring.

First, the obligations included in Chapter 10 of NAFTA that undermine "Buy American" laws should be removed, including those for services. Government call center services can and have been outsourced, which is a poor use of taxpayer dollars.

Second, CWA strongly opposes including any new bans on "data localization" or similar policies that would have the impact of blocking laws that would help keep call centers in the U.S. Not

only would these data localization bans harm American workers, they also jeopardize the financial and other personal information of American consumers.

Thank you for your consideration of CWA's views. I look forward to your questions.