



*A bold voice for transportation workers*

December 20, 2018

Mr. Serge Shikher  
Co-Project Leader  
International Trade Commission  
500 E Street, SW  
Washington, DC 20436

**RE: United States-Mexico-Canada Agreement: Likely Impact on the U.S.  
Economy and on Specific Industry Sectors  
Investigation No. TPA-105-003**

Dear Mr. Shikher,

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I am pleased to respond to the ITC's request for comment on the impact of the United States-Mexico-Canada Agreement (USMCA). TTD consists of 32 affiliate unions representing workers in all modes of transportation<sup>1</sup>.

Under NAFTA, USMCA's predecessor, U.S. workers saw their industries decimated and their wages undercut. Americans are still today feeling the impacts of a trade agreement that did not work in their favor, and this country cannot afford to repeat this mistake. We understand that a number of TTD unions and the AFL-CIO have filed comments in this docket focused on broad labor concerns – we are therefore focusing our comments on the failure of the agreement to protect rail workers from unfair competition from Mexico.

Since 1931, Mexico has required railway companies operating within its borders to employ only Mexican workers. Mexico further secured this protection in NAFTA, negotiating a reservation against U.S. rail employees from working within Mexico. The United States has no equivalent reservation.

---

<sup>1</sup> Attached is a complete list of TTD's 32 affiliate unions.



The lack of a reciprocal reservation within NAFTA was short-sighted, particularly given the debate at the time concerning cross-border trucking operations. That such schemes could make their way to the railroad industry is something that the USTR, the ITC and Congress should have considered and addressed preemptively. In the years since the adoption of NAFTA, a number of rail carriers have indeed attempted to deploy cross-border rail service with crews from Mexico, which would proceed into the United States, as well as attempts to outsource mechanical inspections of train cars from U.S. railyards to yards across the border. Both efforts would result in job loss for U.S. locomotive engineers, conductors and carmen, and reduce rail safety.

Despite these efforts, such operations have not come to pass throughout the vast majority of NAFTA's existence. This was due to efforts by Congress and federal regulators to ensure that rail safety was not undermined in the name of greater profit for rail carriers. Time and time again, carriers were rebuffed in their efforts by FRA regulators who found consistently that these job-killing proposals were not consistent with safety.

However, the failure of NAFTA to protect U.S. rail workers has come to roost. Recently, the FRA approved a carrier's plan to begin operating trains across the border with Mexican-based crews aboard. As the rail sector does not have the cabotage protections found in the maritime and aviation industries, it is likely that this is only the first step in a large scale displacement of U.S. engineers and conductors by lower paid and inadequately trained Mexican-domiciled crews. To date, this FRA has claimed that the lack of a formal prohibition (i.e. through a trade agreement) makes it impossible for it to halt these operations, as long as the carriers pay lip service to the idea of fully complying with U.S. rail safety law and regulation. Similarly, we currently await a determination from the FRA on plans to move brake inspection jobs to Mexico, despite FRA precedent against doing so, and the existence of federal law that prohibits this scheme as proposed. We expect that these are the first of many proposals by U.S. rail carriers to eliminate U.S. jobs in favor of rail employees from Mexico.

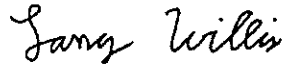
Given the current state of affairs, now is the time for our trade agreement with Mexico to adapt to modern conditions. Instead, the USMCA ignores these issues. While Mexico still holds its rail reservation, the United States continues to capitulate, exposing U.S. rail workers to catastrophic outcomes. The USMCA as currently written fails these workers and their sector, and further fails to uphold principles of basic fairness between the U.S. and Mexico. It is incumbent on negotiators to change course on this item, and secure the same protections for U.S. rail workers that their Mexican counterparts enjoy. We sincerely hope that the ITC considers this disparity, and that ultimately a modification will be adopted.

More broadly, while TTD is not taking a position at this time on the agreement as a whole, we express our support for the progress made on reducing the harm done by the investor-to-state dispute settlement mechanism (ISDS), a flaw in the original NAFTA which served to incentivize outsourcing. We are also encouraged with some of the steps USMCA takes to improve labor practices and protections among the parties, though we have serious doubts that some of these

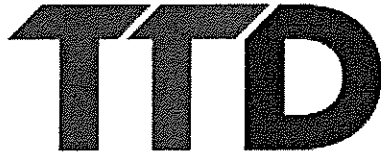
improved rules will have the intended impact as written. As with the original NAFTA, unenforced provisions will provide no relief to U.S. workers and their families. To these points, we endorse the comments filed by the AFL-CIO.

TTD appreciates the opportunity to comment on this docket, and we urge the ITC to consider our concerns as it produces its final report. We further hope that the ITC's consideration will provide information to USMCA negotiators to improve the agreement for U.S. workers.

Sincerely,

Handwritten signature of Larry I. Willis in cursive script.

Larry I. Willis  
President



**Transportation Trades Department, AFL-CIO**  
*A bold voice for transportation workers*

***TTD MEMBER UNIONS***

Air Line Pilots Association (ALPA)  
Amalgamated Transit Union (ATU)  
American Federation of Government Employees (AFGE)  
American Federation of State, County and Municipal Employees (AFSCME)  
American Federation of Teachers (AFT)  
Association of Flight Attendants-CWA (AFA-CWA)  
American Train Dispatchers Association (ATDA)  
Brotherhood of Railroad Signalmen (BRS)  
Communications Workers of America (CWA)  
International Association of Fire Fighters (IAFF)  
International Association of Machinists and Aerospace Workers (IAM)  
International Brotherhood of Boilermakers, Iron Ship Builders,  
Blacksmiths, Forgers and Helpers (IBB)  
International Brotherhood of Electrical Workers (IBEW)  
International Longshoremen's Association (ILA)  
International Organization of Masters, Mates & Pilots, ILA (MM&P)  
International Union of Operating Engineers (IUOE)  
Laborers' International Union of North America (LIUNA)  
Marine Engineers' Beneficial Association (MEBA)  
National Air Traffic Controllers Association (NATCA)  
National Association of Letter Carriers (NALC)  
National Conference of Firemen and Oilers, SEIU (NCFO, SEIU)  
National Federation of Public and Private Employees (NFOPAPE)  
Office and Professional Employees International Union (OPEIU)  
Professional Aviation Safety Specialists (PASS)  
Sailors' Union of the Pacific (SUP)  
Sheet Metal, Air, Rail and Transportation Workers (SMART)  
SMART-Transportation Division  
Transportation Communications Union/ IAM (TCU)  
Transport Workers Union of America (TWU)  
**UNITE HERE!**  
United Mine Workers of America (UMWA)  
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service  
Workers International Union (USW)

*These 32 labor organizations are members of and represented by the TTD*

