

NEW JERSEY STATE AFL-CIO

106 West State Street
Trenton, New Jersey 08608
(609) 989-8730
FAX (609) 989-8734
www.njaficio.org



CHARLES WOKKANECH LAUREL BRENNAN
CHARLES H. MARCIANTE

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January 26, 2009

Dear Members of the Senate Labor Committee:

RE: Please Support S-1802 (Weinberg) The "Jobs, Trade & Democracy Act"

The New Jersey State AFL-CIO supports the "Jobs, Trade & Democracy Act" and respectfully ask for your support. The bill seeks to promote citizen involvement in trade issues, as well as promoting state sovereignty in regard to international trade, and also establishes a role for the state legislature in analyzing and approving state agreements to international trade agreements.

This legislation emerged from the January 2008 report of the Assembly Outsourcing and Off-Shoring Commission, a bi-partisan legislative commission that has representatives of both business and labor. The Commission recommended enactment of this proposal by a vote of 5, yes; 0, no; and one abstention.

The impetus for this legislation was a desire, on the part of state legislators and local residents and community organizations, to become more involved in international trade deliberations and how states could become active on this issue. As you know, the vast majority of trade policies are created at the federal level, but states certainly do have a role in crafting these policies. This bill embraces the various policies in which states can play a role.

The bill seeks to establish four policies:

1. The creation of a 20 member Citizens Trade Commission, which includes representatives of all stakeholders' organizations, including business and labor;
2. Have the Commission prepare a report to the Governor and Legislature on the impact of trade on the state;
3. Requires legislative consent to bind a state to an international trade agreement; and
4. Establishes bi-partisan legislative points of contact to act as liaisons to the federal government on trade policy.

Provisions of this bill have been passed into law in several states. The legislative consent provision became law in Maryland in 2005, and became law in Hawaii and Rhode Island in 2007 and in Minnesota in 2008.

In regard to other provisions of the bill, similar to the creation of a panel of legislative points of contact in this bill, legislation creating a state level International Trade Office was signed into law in Colorado. In 2004 in Maine, a bill establishing a Citizens Trade Policy Commission was signed into law. Finally, our neighbor, Pennsylvania, has implemented a comprehensive trade policy including the creation of the Office of Trade Policy, designed to assist the state's manufacturing industry, as well as appointing a Manufacturing Ombudsman to assist in business dealings with trade issues. All of these examples show that states indeed have a role in establishing trade policy and expressly promote state sovereignty related to trade matters. We commend the sponsor for combining the best provision of these various laws into the bill before you today, which we might add, is revenue neutral and does not require an appropriation.

Although New Jersey has not consented to the WTO agreement on Government procurement, as many other states have, it should be noted that in 2007, Governors in seven states revoked their consent to the procurement rules for CAFTA, and an eighth state, Maryland, had the legislature pass a law rescinding consent the Governor had given to CAFTA. The main reason for these retractions was a lack of debate within the Executive Branch and a system which totally bypasses review or involvement by state legislatures. Often, the current system simply allows the federal Trade Representative to negotiate a "rubber stamp" for state approvals. This bill seeks to remedy this often confusing and little understood process of state consent to international trade agreements.

Committee members may ask why state consent is important, since these agreements are negotiated at the federal level. Many states, including New Jersey have laws or Executive Orders relating to state procurement practices. If a New Jersey Governor were to consent to certain trade agreements, certain state level policies that have been passed by the legislature and signed by previous Governor's could be struck down.

If this bill was signed into law, state sovereignty would be firmly established, the legislature would be given the tools necessary to research and analyze the impact of these agreements on both business and labor, and citizens would be engaged in the process. This bill embraces transparency, good government and proper oversight of one of the most important issues facing Americas workforce today, international free trade, and we respectfully ask for your support.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer

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