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Corporate America has taken every opportunity it can to stress the importance of so-called “free” trade.

Big business leaders have been intimately involved in trade negotiations. They’ve received some support on Capitol Hill and at the White House. And now they are trying to force deals like the 12-nation Trans-Pacific Partnership (TPP) down the public’s throat even though we don’t want it.

The Teamsters are aggressively countering their offensive, aligning with other unions and fair trade allies to let lawmakers know that the TPP and other proposed agreements like the Transatlantic Trade Improvement Partnership (TTIP), involving the U.S. and Europe, must be brought out into the open and looked at closely. American workers deserve to have such deals fully vetted.

The first step in doing so is to stop Congress from pushing through fast track, a trade promotion vehicle used when the government knows it can’t get a deal approved by lawmakers any other way. Fast track doesn’t allow trade agreements to be amended on Capitol Hill and limits debate. Essentially, the deals sail through with the public, and often Congress, knowing little-to-nothing about them!

And that is a tragedy, considering the realities of modern trade agreements. They’ve caused millions upon millions of U.S. jobs to be shipped overseas. They’ve reduced the salaries of many remaining jobs and made it more difficult for hardworking Americans to live a middle-class lifestyle. They’ve left communities from coast-to-coast in ruins. And they’ve allowed unsafe food and products to be shipped to our shores.

The good news is there are Democrats and Republicans in Washington who have seen the light and realize fast track is the wrong track for Americans. They’ve let congressional leaders and the administration know about their concerns and how they fear it could hurt their constituents.

As Congress moves forward with consideration of fast track and trade pacts like TPP and TTIP, the Teamsters have an obligation not only to our members but to all U.S. workers to stand up to corporations trying to put their bottom lines above the livelihoods of working families.
In December, a terrible piece of legislation was passed over the Teamsters’ strident opposition. The Omnibus Appropriations Bill, also known as the CRomnibus, is a disaster.

Congress passed, and President Obama signed, a spending bill that will make life harder for working people and further empower the wealthy.

The CRomnibus bill extends the hours a truck driver may work to 82 a week, lets Wall Street gamble with taxpayer-insured funds, threatens pensions and lets rich people spend more money on political campaigns.

Teamsters General President Jim Hoffa called out the political cowardice of the members of Congress who voted for it.

"With the passage of the omnibus spending bill by the Senate, we have witnessed the latest attack by corporate interests on working families. Big business and Wall Street have bought and paid for influence and access that has allowed them to continue to enrich corporations at the expense of the middle class," Hoffa said.

“Our union has always opposed pension cuts and we are disappointed that the House and Senate have decided to take this action,” Hoffa said. “As the rules for this legislation are being written, we will continue to remain vigilant in fighting to protect pensions.”

“A Disaster”

With this bill, banks will once again be free to make the same risky investments that helped send our country into a recession.

“The individuals that we entrust to protect us and vote in our best interest continue to fail in their duties and break that trust,” Hoffa said. “To them, I offer this word of caution—the same boots that our 1.4 million members put on the ground to help elect them can just as easily help march them out of office. Whether in the Senate or House, our members have a long memory and they will recall how their elected representatives voted [on this issue] when they are casting their votes in the future.”

The Fiscal Times also calls the bill a disaster and lists many ways it harms working people:

“The CRomnibus boosts special interests at the expense of ordinary people in a host of other ways...It cuts a whopping $346 million, about 3 percent, from the IRS, at a time when the agency’s workload will increase with Obamacare. The IRS cuts signal to wealthy earners that they can freely engage in tax avoidance, with little expectation of an audit...Trucking companies can make roads less safe by giving their employees 82-hour work weeks without sufficient rest breaks. Pell grants for college students will be cut, with the money diverted to private student loan contractors who have actively harmed borrowers.

“I’m not done. The bill eliminates a bipartisan measure to end ‘backdoor’ searches by the NSA of Americans’ private communications. It blocks the EPA from regulating certain water sources for farmers. It adds an exception to allow the U.S. to continue to fund Egypt’s military leadership. In a giveaway to potato growers, it reduces nutrition standards in school lunches and the Women, Infant and Children food aid program.”

Hours of Service

One of the most shameful aspects of the CRomnibus was that Congress rolled back hours-of-service rules. Now companies can force drivers to work long hours with insufficient rest.

The bill changes the hours-of-service rule to let truck drivers work 82 hours a week instead of the current 70.

“Just about everything that could go wrong with this bill went wrong, especially that so many of our elected officials saw fit to endorse it,” Hoffa said. “This bill endangers lives by rolling back hours of service. It takes apart important financial reforms and lets the big banks gamble with taxpayer money again. It also raises the amount of money the wealthy can give to political candidates by a factor of 10.

“But perhaps the most disappointing thing about this bill was how many supposed friends of working people or the middle class voted for this bill,” Hoffa said. “The Teamsters Union and our members are paying attention.”

There were members of Congress that made principled stands against this terrible legislation, though. Just not nearly enough.

“It will not have my support,” said Rep. Nancy Pelosi (D-Calif.). “This is a moral hazard. We’re being asked to vote for a moral hazard.”
You may not have noticed, but in December, the Obama administration took away one of the biggest roadblocks to union organizing: Excessive delay tactics by the employer. The National Labor Relations Board (NLRB) issued a final rule speeding up the election process for workers seeking to form a union. The rule will require employers to postpone litigation on union eligibility issues until after the election itself. The rule will also, for the first time, allow for the electronic filing and transmission of union election petitions.

The Teamsters Union’s experience with the pre-rule election procedures is that they are unfair, confusing and outdated. Further, they are susceptible to abuse by unscrupulous employers seeking to prevent their workers from exercising their right to organize by obstructing and delaying the process. The proposed changes will streamline the election process, reduce uncertainty and promote fairness.

“Workers for too long have been forced to endure unnecessary delays when they have tried to start a union,” Teamsters General President James P. Hoffa said. “The Teamsters Union is pleased the NLRB moved forward with these changes so hardworking Americans can organize and better provide for their families.”

The deck is stacked against unions today as never before. We all know that delaying elections is a standard union-bustingploy. A 2011 study by the Institute for Social and Economic Research and Policy found that “nearly 50 percent of all serious allegations of union busting tactics—both legal and illegal—by employers happens after workers express initial interest in a union, but before an official petition has even been filed requesting a vote on union representation.”

“I am heartened that the board has chosen to enact amendments that will modernize the representation case process,” NLRB Chairman Mark Gaston Pearce said in a statement. “Simplifying and streamlining the process will result in improvements for all parties. With these changes, the board strives to ensure that its representation process remains a model of fairness and efficiency for all.”

Level Playing Field

Before this rule change, the playing field was dramatically tilted toward union-busting employers. Now, those seeking a voice on the job will have a more streamlined procedure for getting a union. The Teamsters Union has been pushing for this change to union organizing elections for years.
The rule was long in the making. The board proposed a similar change in 2011 but the U.S. Court of Appeals for the D.C. Circuit struck it down, ruling that the board lacked a quorum to issue the rule. The five-member NLRB re-proposed the rule in February. Since the board first started delving into the issue in 2011, more than 75,000 public comments were taken into consideration, including those of the Teamsters Union.

**Teamster Support**

Hoffa submitted a letter in support of the rule changes when it was first brought up. In it, he wrote:

“Delivering elections has become a routine strategy by employers seeking to buy more time to conduct anti-union campaigns. True enough, employers have the right to express their views about collective bargaining. They do not, however, have to engage in frivolous or pointless litigation pursued solely for the purpose of achieving delay. The current procedures place enormous stress on rank-and-file workers and their managers, inhibiting productivity and souring working relationships. The bad feelings generated by long and protracted election campaigns often extend to a company’s customers. Everyone loses – the company, the workers, the union, and the customers.

“Our organizers have found that employers consistently and aggressively delay elections to discourage workers from forming unions. They take it for granted that workers who want to form a union will have to fight a lawyer or consultant-driven battle involving threats, pressure and costly litigation. In many cases, workers overwhelmingly want to join a union. But employers are skilled at taking advantage of antiquated rules and preventing workers from benefiting from a collective bargaining agreement. They are able to waste the government’s resources with frivolous appeals.

“The Teamsters strongly support the NLRB’s proposed changes to election rules and regulations. These are modest, common-sense changes that preserve due process and strengthen the secret ballot process. They update election methods so they are compatible with today’s technology. And they eliminate the uncertainty that costs so much in time, money and productivity,” Hoffa wrote.

The new NLRB rules will almost certainly be challenged, and since the announcement, the usual chorus of millionaires have whined about how unfair it is for them.

The rule, if it goes into effect, would eliminate existing hurdles that can delay union-organizing votes with meritless and unnecessary litigation. The changes would streamline pre- and post-election procedures to help facilitate agreement and consolidate all election-related appeals into a post-election appeals process. Taken together, they would help stop companies from abusing the legal process to stall election votes, as many do now.
The spending bill signed into law in late 2014 rolled back hours of service rules for truck drivers, which will make our roads more dangerous for the driving public and could contribute to more health problems for drivers.

“Congress completely disregarded the science associated with people’s internal clocks by getting rid of the safety provisions that had been in place since July 2013,” Teamsters General President Jim Hoffa said. “We supported the rules that had been in place, but the trucking industry lobbied for the new rules, placing more interest in their bottom lines while endangering the public. Now, everyone will face more danger and carnage on our nation’s highways.”

U.S. Sen. Susan Collins, R-Maine, introduced an amendment last summer to repeal elements of a U.S. Department of Transportation (DOT) rule requiring drivers to get adequate rest. The rules that had been in place required drivers to take a 30-minute rest break within the first eight hours of their shift. It also required drivers to take a 34-hour “restart” period once every seven days. The 34-hour rest period had to include two consecutive overnights between 1 a.m. and 5 a.m. By getting rid of the previous safety rules, the average maximum week a driver can work now jumps from 70 hours to 82 hours.

**Walmart Incident**

Last June, the Teamsters Union called for a renewed commitment by Congress to protect the hours of service rules after a Walmart truck driver crashed his rig, killing comedian James McNair and injuring three others, including actor and comedian Tracy Morgan. The driver had not rested for 24 hours straight prior to the crash.

“More than 600,000 of our 1.4 million Teamster members turn a key to a truck for a living. The highways and byways are their office,” Hoffa said following the crash. “Naturally, highway safety is important to our union. Every one of our members understands that we must have hours of service rules in place that prevent driver fatigue. A
A tired driver is a dangerous driver."

More than 4,000 lives are claimed each year on our highways in accidents involving tractor trailers and the fatal accident last June was the ninth for Walmart’s trucking fleet in the previous 24-month period.

“It is not uncommon for nonunion drivers to feel pressured by their employers to drive well beyond 60-70 hours a week,” Hoffa said. “When drivers ignore the 34-hour restart provision – either by choice or by design – accidents occur.”

Teamster Provisions

However, some Teamsters will be directly impacted by the changes, said LaMont Byrd, Teamsters Safety and Health Director.

“Our contracts with UPS, UPS Freight, ABF and YRC Freight, for example, address the driver fatigue issue,” Byrd said. “However, it is important to our members because our members share the roads with these other drivers who could be adversely affected by the new hours of service rules approved in the spending bill.”

Health Issue

The issue is a safety concern, but there are also serious health implications related to hours of service.

“The safety issue is a big deal, but we have an aging driver workforce and these folks have tremendous health problems and some of it can be attributed to chronic fatigue,” Byrd said. “These longer driving hours will only make those health issues worse in some cases.”

The union will keep fighting to protect our members and the driving public.

“We lost this battle, but we will continue to fight and educate members of Congress about this issue,” Hoffa said. “We strongly believe that changing the hours of service rules was a terrible mistake and it was done in a back-door way through the spending bill, where debate was limited. This is the type of issue that needs lengthy, open debate and that did not occur. But we will keep on pressing this issue for the sake of all Americans, and especially for our members out on the roads who are directly and indirectly affected.”
In the spring and summer of 2014, tens of thousands of unaccompanied Central American children arrived at the U.S. border with Mexico. The influx overwhelmed the Border Patrol and inspired a panic about border security.

The violence in Central America that sent those children to the U.S. border is a direct result of CAFTA, a nine-year-old trade deal that is remarkably similar to the TPP, TAFTA and TISA, other trade deals now being negotiated in secret.

The Central America Free Trade Agreement (CAFTA) was passed by the U.S. House of Representatives in the dead of night...by a single vote. The deal involves the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

CAFTA’s supporters promised it would reduce gang and drug-related violence in Central America, boost economic development and reduce incentives for Central Americans to migrate to the United States. Those promises proved false.

The Teamsters, led by General President Jim Hoffa, strongly opposed the CAFTA deal.

Since then, CAFTA, along with NAFTA, has been blamed for the refugee crisis along the U.S.-Mexico border.

Last summer, the Rev. Richard E. Pates, the Catholic bishop of Des Moines, visited three CAFTA countries: El Salvador, Guatemala and Honduras. He wrote a letter to U.S. Secretary of State John Kerry about the poverty, brutality and oppression spawned by CAFTA:

“We frequently heard during our visit, from Church leaders as well as representatives of civil society, that the implementation of the Central American Free Trade Agreement (CAFTA), and similar trade policies, has in many cases devastated small agricultural producers and businesses in the region, while depressing labor conditions and wages. As an example, U.S. corporations, receiving significant subsidies and other protections from our government, have been able to export corn and other agricultural products to Central America, driving down local prices for these products and forcing rural families off their lands.

“We must recognize that there are correlations between these harmful trade practices and the deplorable conditions that lead to poverty, increased unemployment (especially among the young), violence, trafficking and the resultant push for migration,” Bishop Pates wrote.

The Congressional Progressive Caucus reached the same conclusion in a report issued last summer. According to the report, “free trade agreements, including the North American Free Trade Agreement (or NAFTA) and the Central America Free Trade Agreement (or CAFTA) have led to the displacement of workers and subsequent migration from these countries.” The report adds: “Multilateral development banks have funded projects with disregard to the local impact on community jobs and small farmers.”
FALSEHOODS CONTINUE TO PERVERDE U.S. PUSH FOR GREATER TRADE

FREE TRADE’S TOLL
Increasing so-called “free” trade across the globe has been a rallying cry for U.S. leaders for more than two decades. Supporters have insisted such deals would lead to more jobs and a better economy. But it has been nothing but a boondoggle at the expense of the American worker.

The constant drip-drip-drip of job loss that began 21 years ago with the enactment of NAFTA has led to a flood of lost jobs since then. The U.S.-Mexico-Canada trade pact resulted in 1 million lost jobs, but even that pales in comparison to the approval of permanent normalization of trade relations with China. The decision to allow the world’s most populated communist nation into the World Trade Organization in 2001 has cost 3.2 million American jobs according to the most recent numbers. About three quarters of those have been in manufacturing. Every congressional district except one has been negatively impacted by that decision.

That is why the Teamsters and other fair trade advocates are wary of pending trade deals like the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP). And it is why the union is working hard to ensure Capitol Hill doesn’t blindly implement them.

“Workers know all too well what happens when unfair trade deals are allowed to sail through Congress,” said Teamsters General President Jim Hoffa. “We can’t allow more agreements that give short shrift to hardworking Americans while hollowing out communities. If we want to ensure a healthy middle class, lawmakers can’t just quickly approve these secretive deals.”
Fast Track
The time for Congress to act is now. The first step is to defeat fast-track trade promotion authority, which would allow agreements like TPP and TTIP to glide through Capitol Hill without being amended. Lawmakers would essentially be rubber-stamping whatever deal is put before them. They would be abdicating their responsibility under the U.S. Constitution to review trade agreements before this country enters into them.

The Senate Finance Committee has been busy reviewing old-model fast-track legislation that would hurt Americans because it doesn’t look out for workers. The Teamsters and their fair trade allies realize changes must be made to that model so it prevents thousands of jobs from being shipped overseas. Otherwise, it must be completely stopped.

Some lawmakers get it. In a letter sent to U.S. Trade Representative Michael Froman late last year, Sens. Elizabeth Warren (D-Mass.), Tammy Baldwin (D-Wis.) and Edward Markey (D-Mass.) wrote that fast track in its current form is a loser for hardworking Americans.

“We cannot afford a trade deal that undermines the government’s ability to protect the American economy,” they said.

“Enough is Enough”
A battle is also raging in the House, where leading voices like Rosa DeLauro (D-Conn.), Tim Ryan (D-Ohio), Mark Pocan (D-Wis.), Louise Slaughter (D-N.Y.), Keith Ellison (D-Minn.) and others have repeatedly spoken out about the dangers of the current incarnation of fast track.

They noted that given how little the public knows about the trade agreements currently being negotiated, it is madness to move ahead with fast track.

“Enough is enough: no more offshoring, no more NAFTA-style trade deals,” DeLauro stated.

Democrats, however, are not the only ones raising concerns about fast track and trade. In fact, 19 House Republicans wrote House Speaker John Boehner (R-Ohio) in December asking him to slow down consideration of the provision, which proponents had hoped to push through at the end of 2014. And Tea Party leaders have been some of the most outspoken critics of the move to give the executive branch unfettered control over the trade process. They note it would suspend the “regular order” of Congress in order to give the White House “extra-constitutional power.”

Most importantly, however, is that working people are against it as well. A 2014 poll conducted by Hart Research Associates and Chesapeake Beach Consulting found that by more than two-to-one, voters said they do not favor tampering with legislative procedure to push through a deal that will only help big business and the one percent. That’s not going to help any lawmaker looking to stay in office.

That’s why the Teamsters and their fair trade allies have spent the early part of 2015 contacting members of Congress and demonstrating outside of district offices across the country letting
them know about the big lie that is fast track. And it’s why union members need to keep up that drumbeat by contacting their elected officials and doing the same.

TPP
The issues with trade, however, go much deeper than fast track.

For example, TPP—the largely secret 12-nation Pacific Rim trade deal that negotiators are desperately trying to complete after years of talks—is chock full of problems that will hurt workers not only in the U.S. but abroad. Pay and working conditions will deteriorate while the public will be exposed to more unsafe products and food.

“The TPP is not just another free trade agreement,” Sen. Bernie Sanders (I-Vt.) wrote in a letter sent to U.S. Trade Representative Froman earlier this year. “It has broad economic and political implications for the entire economy, national sovereignty, health care, the environment, national security, and the federal budget, among other things.”

Deficits
In the wake of NAFTA’s enactment, the U.S. has shipped jobs overseas while running up increasingly large trade deficits—not only with Mexico and Canada, but other nations like China.

A report by the Economic Policy Institute (EPI) shows that between 1993 and 2010, America’s trade deficit with Mexico grew from $1.6 billion to $97.2 billion. And a Public Citizen report released last year placed the combined U.S. trade deficit with both Mexico and Canada at $181 billion.

Meanwhile, the trade deficit between the U.S. and China reached an all-time high last September at $35.6 billion for the month.

The U.S. also saw how NAFTA could affect industry as well. The agreement led to repeated litigation and eventually the creation of a three-year Mexican trucking pilot program in the U.S. that drew little actual interest from trucking companies located south of the border (see story on Mexican trucking on page 18).

Dairy
Certain industries could be hit particularly hard if the TPP moves forward.

The Teamsters, who represent 30,000 dairy workers in the U.S. and 10,000 in Canada, are concerned about possible changes made to the North American dairy market. Opening it up to more foreign competition would cause companies here to lose market share due to nations like New Zealand having a largely nationalized dairy sector. That’s unfair to dairy workers on this continent.

“New market access for New Zealand’s monopolistic dairy sector would be especially damaging to U.S. dairy farmers and those who produce and process nonfat dry milk, butterfat or cheese,” a letter from 12 dairy organizations sent to Congress states.
By joining DRIVE (Democrat, Republican, Independent Voter Education), the Teamsters Union’s political action committee, you are supporting grassroots campaigns by Teamster families to fight for legislation to help working Americans.

You can help build Teamster political power by joining the thousands of Teamsters who already contribute to DRIVE.

Joining DRIVE will help elect candidates who care about working people.

To join DRIVE, go to www.teamster.org/drive.

ISDS
But there are broader concerns to consider. The investor-state dispute settlement (ISDS) process, for instance, would allow foreign corporations to circumvent American courts and challenge American policies before a panel of private attorneys that sits outside our legal system. U.S. taxpayers could be forced to pick up the bill if a company prevails.

In a letter signed by Sens. Warren, Baldwin and Markey last December, the three lawmakers said such language could jeopardize this country’s financial regulations and make the U.S. more susceptible to financial crises.

“We believe that the TPP should not include an investor-state dispute settlement process,” they wrote. “Including such provisions in the TPP could expose American taxpayers to billions of dollars in losses and dissuade the government from establishing or enforcing financial rules that impact foreign banks. The consequence would be to strip our regulators of the tools they need to prevent the next crisis.”

ISDS is also a major concern with regards to TTIP as well. There, the European Commission is claiming that any threats the language poses can be fixed by improving such provisions. But as Global Trade Watch found, that is unlikely to happen.

“Tribunals have a structural incentive to boost their caseload and increase their earnings by using broad interpretations of foreign investors’ rights to rule in favor of cor-
porations, which decide if and when to initiate future cases, and against governments,” the group wrote.

TPP Issues
Some countries are seeing the writing on the wall.

In TPP negotiations, representatives from Chile to Malaysia have raised concerns about the agreement and asked that the process be opened up so the public can have a greater say. They’ve questioned whether the trade deal will actually be good for workers or just for the corporations pushing for the pact’s implementation.

But others have proven they’re not interested in doing what needs to be done to make trade agreements fair. Japan, for example, has for years manipulated its currency so that its exports like automobiles are cheap in the U.S., but imports are too expensive and undesirable for its own people. The result is sky-high trade deficits for America and economic growth overseas while jobs and wages get cut at home.

And the undemocratic Vietnamese government sees the agreement as an opportunity to further validate the nation as it tries to emerge on the world stage. Inclusion in TPP would be seen as a badge of honor there in a nation that still engages in child and forced labor practices and has a minimum wage of less than $3 a day in parts of the country.

Secret Negotiations
There is also a question of secrecy. The lack of information is a big hurdle that the Teamsters and other allies want addressed when it comes to trade deals.

These deals should be opened to all to view and consider. The lack of transparency is part of the reason why allowing such agreements to be fast tracked is so devastating to the public.

When it comes to the TPP, it seems unlikely that anything will change. But that is not the case with TTIP. The EU, after an outcry on both sides of the Atlantic, announced in early January that it will publish the legal texts for the pact. While that doesn’t change the quality of what is included, it’s a start. At least those pushing for fair trade know what they are up against.

The Teamsters realize what is at stake with trade. That’s why the union has been an active participant in helping to shape policy as part of the process while at the same time pushing back against language that would hurt hardworking Americans. Those efforts are magnified by getting the union’s 1.4 million members educated and involved in the fight both at home and in Washington.

The risks are significant. Supporters of trade deals like TPP and TTIP say they favor “free” trade. Yet, they want to push through a process like fast track which inherently makes congressional consideration of such deals less democratic.

If these agreements are so good for America, they should be able to stand on their own. But they can’t.

Here’s why: They’re not fair to workers. They let big corporations ship jobs overseas and dump wages and benefits overboard along the way. They lead to lost jobs, shuttered plants and hollowed-out communities. And in return the vast majority of Americans only gets unsafe goods and foods that make their families sick.

It’s time the productivity of American workers showed up in their paychecks, and that means no more unfair trade deals.
How many dairy farmers and dairy manufacturers are represented by the Teamsters?
A: The Teamsters represent more than 30,000 workers at approximately 100 employers in the dairy industry across the country at approximately one-quarter of all Teamster locals.

Are foreign trade deals a threat to jobs?
A: Foreign trade deals are a threat to jobs, as they affect what (dairy) products are made, where and by whom. Every aspect of a global trade deal affects U.S. workers in some way. With regard to dairy, we are particularly concerned with market access issues, that is, what products manufactured in the United States will be able to be sold overseas vs. what imports from other countries will be able to be imported? If there is not an appropriate balance, it could cost U.S. workers’ jobs.

We also are very concerned with labor standards including safety and wages that are called for in trade deals, and the degree to which these deals provide flexibility for companies to move jobs overseas at the expense of U.S. workers.

Does it matter where dairy products are produced?
A: At a time when there is a lot of talk about growing or sourcing food locally and regionally, it should matter to everyone how and where dairy products are produced.

We are equally concerned about the health and safety standards involved in production; particularly if we are talking about importing perishable products from other countries, or products with short shelf lives.

What can the average person do to prevent the TPP from passing?
A: The average person can do a number of things to prevent the Trans-Pacific Partnership (TPP), the current trade scheme, from passing. Since NAFTA, many trade deals and negotiations have taken place largely removed from public view. The best thing you can do is take time to educate yourself, and also to spread the word about the magnitude of these agreements, and how they have the potential to affect every aspect of American economic life in the coming decade.

The next best thing, as always, is to engage with your local and federal elected officials, particularly by contacting your Senators and Representatives and asking them, if they do not already do so, to oppose fast track or “TPA” legislation, which is the mechanism that would cram this bad deal through Congress.

Congress must make sure this trade deal doesn’t open the door to unfair competition. The dairy industry is too important to our economy and our food supply.

“The best thing you can do is take time to educate yourself, and also to spread the word about the magnitude of these agreements, and how they have the potential to affect every aspect of American economic life in the coming decade.”

–ROME ALOISE
The “Buy American” federal procurement program has been a smashing success for American businesses and workers. That’s why more than 130 House Democrats and Republicans are pushing to make sure it isn’t traded away as part of the 12-nation Trans-Pacific Partnership (TPP).

Lawmakers signed onto two different letters recently that called on the Obama administration to protect the more than 80-year-old program from being phased out as a condition included in the Pacific Rim trade agreement. Such a move would hurt the U.S. economy and employment while funneling American tax dollars into the pockets of other nations.

“We must buy America to build America, and government procurement policy is no exception,” said Rep. Donna Edwards (D-Md.) a leader behind one of the letters. “Since 1933, buy American policies have helped create jobs, grown our economy and strengthen domestic manufacturing.”

That letter, signed by 121 mostly Democratic House members, points out that buy American rules have helped create strong middle-class jobs in the U.S. It also notes that the TPP would gut the program, resulting in “large sums of U.S. tax dollars being offshored and invested to strengthen many other countries’ manufacturing sectors, rather than our own.”

A separate letter signed by 14 House GOP lawmakers took a similar tone. It said scrapping buy American requirements that give preferential treatment to American companies is a non-starter. “We fear the proposed TPP terms will result in U.S. tax dollars being offshored and invested to strengthen other countries’ manufacturing sectors, rather than these tax dollars being spent at home to improve our own economy,” it stated.

If buy American is ended, American companies would be the big losers. The U.S. federal procurement market is more than 10 times larger than all the other prospective procurement markets combined. So in essence, the U.S. would be trading preferential access to the $556 billion American federal government procurement market in exchange for just $53 billion worth of new national procurement markets overseas.

Also, does it make sense to potentially turn over the U.S. military manufacturing keys to Chinese-owned Vietnamese companies that would be privy to state secrets? As Teamsters General President Jim Hoffa recently wrote in The Detroit News: “Hell no!”

It is rare indeed for any issue in Washington to receive support from both sides of the aisle. But here you have it. No matter what the politics might be, axing buy American is a big mistake.
New Battle Against Unsafe Mexican Trucks

Teamsters Continue Fight for Safety on American Highways

The Teamsters are fighting hard against the U.S. Department of Transportation’s decision to open the border to Mexican trucks. It’s a continuation of the long fight to prevent Mexico’s notoriously dangerous trucks from driving anywhere on U.S. highways.

Teamster opposition kept the border closed to Mexican trucks even after NAFTA took effect on Jan. 1, 1994. In February 2001, a NAFTA tribunal ruled the U.S. had to open the border to Mexican trucks, but could take steps to ensure highway safety.

The Bush administration in September 2007 launched a “demonstration program” to allow Mexican trucks to travel throughout the United States. The program lasted for a year and a half while the Teamsters lobbied Congress to end it. The Bush administration in September 2007 launched a “demonstration program” to allow Mexican trucks to travel throughout the United States. The program lasted for a year and a half while the Teamsters lobbied Congress to end it. In March 2008, Congress passed a bill cutting off funding for the program, but President Bush ignored Congress and kept the program going. Soon after President Obama took office in 2009, he followed Congress’s instructions and ended the Bush demonstration program.

Mexico then retaliated by imposing $2.4 billion in tariffs on 80 products it imports from the United States.

With prodding from the Teamsters, Congress ordered the Transportation Department to let some Mexican trucks use U.S. highways only as part of a rigorously supervised pilot program.
The pilot program, which started in 2011, couldn’t just pick a handful of the safest carriers in Mexico to participate. Congress passed a law requiring a representative sample of Mexican carriers to take part in the pilot program before the border could be opened.

As another precaution, Congress ordered the Transportation Department’s watchdog, the inspector general, to report regularly on the pilot program.

In December 2014, the inspector general reported the pilot program failed under the law. Only 15 carriers participated in it, and it is therefore impossible to know if Mexican trucks are safe enough to drive on U.S. highways.

The inspector general also reported the Transportation Department couldn’t inspect enough carriers in Mexico because of the danger to transportation inspectors. The Teamsters have long argued that letting Mexican trucks travel in the United States was unfair because American truckers don’t want to travel in Mexico because of the ongoing drug war.

Shocking news was announced in January. First, the Transportation Department decided to open the border to Mexican trucks even after the pilot program failed under the law.

Second, the Transportation Department had already secretly allowed 351 Mexican trucking carriers to drive wherever they wanted to in the United States. Transportation officials claimed NAFTA allowed them to do it under “direct foreign investment” provisions of the treaty.

“This policy change by the DOT flies in the face of common sense and ignores the statutory and regulatory requirements of a pilot program,” Teamsters General President Jim Hoffa said in a statement. “Allowing untested Mexican trucks to travel our highways is a mistake of the highest order and it’s the driving public that will be put at risk by the DOT’s rash decision.”

The Teamsters are gearing up for more battles to prevent dangerous Mexican trucks from jeopardizing the traveling public. All options are being explored. Hoffa fired off a letter to Transportation Department Secretary Anthony Foxx to say opening the border to Mexican trucks jeopardized U.S. highway safety.
TWO MEMBERS OF CONGRESS DISCUSS TRADE ISSUES

TALKING TRADE

Teamster magazine interviewed two members of the U.S. House of Representatives, one Democrat and one Republican, on trade issues. Rep. Mark Pocan, a Democrat, represents Wisconsin’s second congressional district, and Rep. David B. McKinley, a Republican, represents West Virginia’s first district.

Why is trade policy important to American workers?

REP. POCAN: It is critical we put a priority on American jobs and ensure workers have access to reliable, family-sustaining employment. Our trade policies must protect American jobs and promote products made here in the United States.

REP. MCKINLEY: We live in a global economy and what happens halfway around the world can have an impact on Main Street in your hometown. Rather than ensuring America competes on an even playing field with foreign countries, too often our trade policies have given foreign countries unfair advantages, resulting in job losses and lower wages. While negotiations over workers’ rights and intellectual property in Vietnam and other countries may seem far away from the everyday concerns of most families, trade policy can have a very real impact on their future.
How does NAFTA harm working families?

REP. MCKINLEY: The legacy of NAFTA is fewer manufacturing jobs and stagnant wages. An estimated 700,000 good-paying manufacturing jobs have left America, while wages for the average American family have been stagnant since the mid-1990s when NAFTA took effect. These jobs have largely been replaced with lower-wage service industry jobs. Any future trade agreements similar to NAFTA must be scrutinized for the impact they will have on American working families. We can’t build our economy on part-time wages. A thriving middle class is important for our country and NAFTA and other unfair trade deals have hurt that.

REP. POCAN: NAFTA has had a devastating impact on our manufacturing industry and working families across America. According to the Bureau of Labor Statistics, 5 million Americans have lost manufacturing jobs since the passage of NAFTA. Meanwhile, as a small business owner, I’ve seen the number of American-made products dwindle since the agreement was passed.

What should our elected representatives be doing to protect American workers with regard to trade?

REP. POCAN: Too often we see politicians supporting policies that ship jobs overseas, leaving American workers in the dust. We need elected officials who will stand up for job-creating policies to protect workers and support American manufacturing.

REP. MCKINLEY: America’s elected leaders need to listen to the concerns of their constituents. We hear often from businesses and workers who bear the brunt of unfair trade. We have listened and stood up for them by opposing unfair trade agreements. As we begin 2015, the next big fight is on Trade Promotion Authority being sought by President Obama. This authority would make it easier to finalize large-scale trade agreements with Asian and European countries, and minimize the input Congress can have. If we can prevent Trade Promotion Authority from passing Congress, it will be harder to push through TPP and TTIP.

How can Teamsters make their voices heard in this debate?

REP. MCKINLEY: You can count on the pro-trade supporters making their voice heard in Washington, so it’s imperative your members weigh in with their elected representatives. Whether it’s a phone call, letter, email, or meeting in the district or in Washington, Teamsters should make sure their members of Congress understand the impact unfair trade has on jobs in their districts. There is a lot that readers of this magazine and rank-and-file members can do to make their voices heard, and I hope they speak up in this debate.

REP. POCAN: Teamsters must continue to stand up to the special interests who promote trade agreements that hurt workers. We need a large grassroots presence standing in opposition to harmful trade agreements and the Teamsters serve as a critical voice in support of our middle class.

Do you see similarities in how TTP and TTIP are being sold to Americans with how NAFTA was sold?

REP. POCAN: Just like NAFTA, TPP and TTIP are being rammed through Congress with the use of Fast Track Authority, thus shutting down necessary discussion over concerns ranging from the protection of American workers to human rights abuses abroad. Each of these deals extends far beyond traditional trade business, and the American people deserve a thorough debate over whether these agreements are in the best interest of the United States.

REP. MCKINLEY: When NAFTA was being sold in the early 1990s there were many grand promises made about the benefits of free trade with Mexico and Canada. The potential negative effects on jobs were downplayed. The same arguments are being used today. Also, “fast track” trade authority was used to pass NAFTA as well. By giving the President sole discretion to carry out trade negotiations, Congress has made itself a rubber-stamp for decisions made by the Executive Branch. Americans should demand their elected representatives write their laws, not one person in the White House.

Giving unsafe Mexican trucks unfettered access to U.S. highways was a component of NAFTA that the Teamsters are still working to halt more than 20 years after NAFTA’s passage. What should that tell people about these trade agreements?

REP. MCKINLEY: The fact that we’re still trying to address problems with NAFTA more than 20 years later should be a reminder that the consequences of trade agreements—whether intended or unintended—are long-lasting and difficult to undo. Rather than trying to go back and fix these problems after the fact, we should stop unfair trade deals before they even happen. That’s our opportunity this year and we will need your help.

REP. POCAN: This example highlights the need for aggressive examination of how trade agreements impact the livelihood of families both in the United States and abroad. It is unacceptable to implement policies lacking the type of rigorous oversight necessary to maintain our safety and security.
Add this to the list of bad international deals aimed at increasing corporate profit: the Trade in Services Agreement (TISA).

Like the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP), TISA has little to do with lifting trade barriers. And, like TPP and TTIP, it is a mega-deal involving many countries.

Its purpose is to deregulate services in both the government and private sector in order to increase corporate profit. It seeks to limit the role of democratic governments to regulate in the public interest. As a result, it could lower wages and working conditions for tens of millions of workers who provide services. Worse, TISA could take away their jobs.

And yet the American public is even less aware of TISA than it is of the two other looming mega-deals. The International Brotherhood of Teamsters is working hard to shine a light on the threat posed by TISA. To that end, the Teamsters are working closely with Public Services International, a global union federation of public sector trade unions representing 20 million working women and men who deliver public services in 154 countries.

The Teamsters and PSI held a historic international summit in 2014 in Washington, D.C., to discuss how trade-in-service agreements would have devastating results on public service jobs. Also present were members of Congress, the AFL-CIO and the American Federation of Teachers.

“The Teamsters Union and the other unions represented at this summit oppose trade deals that threaten service sector workers just as we always have for workers who produce goods that families rely on,” said Teamsters General President Jim Hoffa.

Dave Prentis, PSI’s president, said there is a need to educate the public so rank-and-file workers better understand the challenges they could face under the TPP, TTIP or TISA. “Our aim is a completely new debate about whether these agreements are helping workers,” he said.

Threat to Public Services

Like other mega-deals like TPP and TTIP, TISA is being negotiated in secret and, apart from occasional leaked documents, little is known about what’s in it.

Public Services International is leading the effort to keep tabs on this agreement and research its potential impacts.

Rosa Pavanelli, PSI’s general secretary, warned the consequences could be dire.

“The new wave of trade agreements are about far more than trade,” Pavanelli said. “They enshrine the power of corporations in ways only loosely related to trade. They lock in liberalization, promote privatization and restrict governments’ right to regulate.”

PSI points out that public services are designed to provide vital social and economic necessities, such as health care and education. They exist because markets won’t necessarily produce affordable services for people who need it. Public services also exist, argues PSI, to make sure competition is fair and to prevent economic, social and environmental disasters.

“Trade agreements consciously promote commercialization and define goods and services in terms of their ability to be exploited for profit by global corpora-
The losers could be corrections officers, doctors, public health nurses, water quality technicians, teachers, sanitation workers, mail carriers and social workers.

Ironically, TISA is being negotiated at a time when there is a backlash against privatization. Many states and municipalities burned by high costs and poor performance of private service providers are bringing those services back under the government’s control. Last year, Maryland passed a law banning private contractors from contracting with the state if they broke the law.

In Oregon, Nebraska and Connecticut, legislatures passed laws requiring more supervision of private contracts. Nineteen states had legislation introduced that would let taxpayers reclaim control of public services.

But TISA negotiators have a trick up their sleeves. The TISA would limit and possibly ban the return of privatized services to governments. According to PSI, TISA would “prevent governments from creating or reestablishing public monopolies or similar ‘uncompetitive’ forms of service delivery.”

It would also lock in any privatization of government services. PSI explains that “if a government did decide to privatize a public service, that government would be unable to return to a public model at a later date.”

Private Sector
What is especially troubling about TISA is the potential breadth of its scope. It would apply to every possible means of providing services internationally, including:

- Cross-border services such as telemedicine, distance education or internet gambling;
- Consumption abroad, such as tourism or medical tourism;
- Foreign direct investment, such as a bank setting up a branch in another country or a multinational corporation providing municipal water or electricity services;
- Temporary movement of people, such as when nurses, housekeepers or corporate executives travel abroad temporarily to provide services.

That list could include private-sector workers such as locomotive engineers, airline pilots, bus drivers, truck drivers and warehouse workers.

TISA could allow foreign airlines to operate within the United States or foreign investors to own U.S. airlines. It could exempt foreign workers from the requirement that they have U.S. drivers’ licenses or the equivalent, or it could exempt them from drug tests.

It could vastly expand the number of work visas allowed in each country by striking the requirement that companies demonstrate a shortage of workers. In other words, more migrant workers could flood the U.S. market, hired by bad-actor employers who will pay them little and lower the wages of their American competitors.

TISA could also affect public interest regulations that affect services. The deal could actually allow corporations to challenge local water quality standards, municipal zoning laws, permits for toxic waste disposal services, tobacco regulations, alcohol restrictions, accreditation of educational institutions and degree-granting authority.

It should be no surprise that TISA negotiators have no plans for enforceable labor and human rights protections. That could create a nightmare scenario in which labor recruiters charge exorbitant fees to lure impoverished workers, hold their passports and travel documents hostage and keep the workers in virtual slavery.

The scope of the negotiations is truly alarming. Currently, the talks include 23 governments representing 50 countries. The current negotiating parties are Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, Hong Kong, Iceland, Israel, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, South Korea, Switzerland, Turkey, the United States, and the European Union, representing its 28 member states. Talks began in 2012 and it is unclear when they will be concluded.

PSI, in a report, characterized the deal as part of an “alarming new wave of trade and investment agreements founded on legally-binding powers that institutionalize the rights of investors and prohibit government actions in a wide range of areas only incidentally related to trade.”

“It will be the same for service workers as it is for the manufacturing workers – the bosses get their NAFTA and their CAFTA and the workers get the SHAFTA,” Hoffa said. “And with the Trans-Pacific Partnership (TPP) and the Transatlantic Trade Investment Partnership (TTIP) looming, as well as the lesser-known Trade in Services Agreement (TISA), there is reason for real concern.”
Jobs might not be in such short supply like they once were. But good-paying jobs still are. That's why the Teamsters Union supports the Keystone XL pipeline project that would allow North America to produce more of the world's oil supply.

Completing the final segment of the pipeline would employ upwards of 2,500 Teamsters and would infuse millions of dollars into local economies.

How's that possible? Because a project of this magnitude will require thousands of pieces of equipment like American-made vehicles to be purchased, and those vehicles will need to be kept up with new parts. Similar projects have resulted in automotive companies building facilities to service vehicles. There is no reason to think that wouldn't happen here as well.

For communities closer to the construction of the pipeline, workers living nearby will add handsomely to their local tax bases. Rent, food and the everyday living expenses will pump dollars into the wallets of local residents. Infrastructure improvements will also need to be made as part of the project to shore up roads and improve wetland areas.

**Finish the Pipeline**

As it stands, the southern portion of the pipeline has already been completed and produced millions of hours of work and positive economic benefits for the local communities in which it was constructed. The project is a shot in the arm to many rural towns that need it the most.

In total, the construction of the Keystone XL pipeline would
The Keystone XL project is a privately funded, planned 1,959-mile, 36-inch crude oil pipeline stretching from Hardisty, Alberta and moving southeast through Saskatchewan, Montana, South Dakota and Nebraska. It will link up with a portion of the pipeline that will be built through Kansas to Cushing, Oklahoma and facilitate take away capacity from U.S. hubs located on the pipeline. The pipeline will then continue on through Oklahoma to a delivery point on the Gulf of Mexico.

“Highly Skilled Workforce”
Sean McGarvey, President of North America’s Building Trades Unions, upon the release by the U.S. Department of State of the Keystone XL pipeline Environmental Impact Statement (EIS):

“Any discussion of the Keystone XL pipeline project should center on the fact that it will be constructed by the safest, most highly skilled workforce in the world; in accordance with the strictest environmental and safety standards; and subject to a Project Labor Agreement that will ensure family-sustaining wage and benefit standards.

“We have been patient while this project underwent the most exhaustive review and analysis of any infrastructure project in the history of the United States,” McGarvey said. “The Keystone XL pipeline has now been awaitng regulatory approval for more than five years. There are no more excuses for delaying this project. The time to construct this pipeline is now.”

Teamster Support
The Keystone XL pipeline has been in the works for more than seven years now, and the Teamsters Union has been pushing for the pipeline the entire time.

In fact, Teamsters General President Jim Hoffa, along with three other international union leaders, wrote a joint letter to Hillary Clinton when she was secretary of state, urging the State Department to approve the pipeline project.

Noting the game-changing economic benefits of the Keystone XL project, the four union presidents called on Secretary Clinton “to approve a Presidential Permit for Keystone XL so that the American worker can get back to the task of strengthening their families and the communities they live in.”

contribute approximately $3.4 billion to the U.S. gross domestic product. It would support a combined total of 42,100 jobs and approximately $2 billion in earnings nationwide.

Many years of review by 10 federal agencies, as well as numerous state and local agencies, is sufficient. Keystone has had the most exhaustive review and analysis of any infrastructure project in U.S. history.

There are even more positives, as the pipeline would allow greater oil security for North America and make us rely less on other oil-rich parts of the world, where conflict continues to reign.

America needs more good-paying jobs that support middle-class families. This project supplies them.
Working families sat out the 2014 elections and the results showed. Anti-worker legislators were elected at the state and federal level across the board. However, the Teamsters led successful efforts to pass pro-worker legislation in numerous states and 2014 was a particularly good year in politics for working families in one state – California.

State Minimum Wage Wins
The Teamsters Union is about obtaining the maximum wage and benefits package for its members. However, the minimum wage is the first step in moving up the economic ladder.

In November, voters in five states ratified proposals to raise the minimum wage – Alaska, Arkansas, Illinois, Nebraska and South Dakota. Earlier in 2014, then-Massachusetts’ Gov. Deval Patrick signed legislation creating a higher minimum wage.

“All workers benefit from a raise in the minimum wage rate,” said Jim Hoffa, Teamsters General President. “A rising tide lifts all boats; therefore, fighting for higher wages at the federal level has a positive impact on the wage rates for working families in all industries. We will continue to push for a higher minimum wage as much as we do for safer working conditions and improved benefits.”

On the local level, voters in San Francisco voted to raise the minimum wage to $15 per hour by 2018. Oakland voters passed a ballot initiative raising the minimum wage to $12.25 per hour in 2015, but also ties future increases to inflation. Oakland’s measure also included paid sick days for workers.

In Wisconsin, voters in nine counties and four cities also raised the minimum wage.

Key Election Victories
In Pennsylvania, Teamster-backed candidate Tom Wolf easily defeated anti-union Gov. Tom Corbett’s bid for reelection. Corbett was widely panned for pushing for right-to-work (for less) legislation and a paycheck deception bill.

“We were able to mobilize our members statewide and join with other unions in the state to elect Tom Wolf, a pro-worker, pro-union leader,” said Bill Hamilton, International Vice President and President of the Pennsylvania Conference of Teamsters. “In addition to active rank-and-file members stepping up their pressure at the voting booths, our retirees joined in to make sure that the former governor was shown the door.”

Right-to-work (for less) and paycheck deception legislation are both designed to weaken unions’ power and silence workers. Teamsters nationwide have been fighting any efforts by lawmakers to institute such legislation.

Anti-worker governors in Michigan, Ohio and Florida were re-elected while pro-worker candidates held on in Colorado and Minnesota. Local Teamster participation made the difference in Colorado and Minnesota as members participated heavily in early voting, Election Day turnout and community education.

California Legislative Strategy
California Teamsters, led by Joint Councils 7 and 42, sponsor voter registration drives, candidate rallies and voter turnout programs every election cycle. With continued
success in electing pro-worker candidates, the legislature passed some of the most pro-worker legislation in the country in 2014, proving that electing pro-worker candidates can make a huge difference for working families.

In late September, Gov. Jerry Brown signed AB 1897 into law. The legislation holds employers accountable when the temp agency they use violates California labor laws such as overtime, workers’ comp and health and safety regulations. Since employers throughout the state are increasingly using temp agencies, especially in warehousing, distribution, food processing and solid waste/recycling, the new legislation helps level the playing field. The law came into force on January 1 and is the strongest of its kind in the nation.

Workers at Taylor Farms in Tracy, Calif., were a prime example of how employers were flouting the law by using temp agencies. When the 900 workers at Taylor Farms began organizing with Local 601, the company hired union busters to spread fear and intimidation. Workers stood up to blow the whistle on state labor law violations, only to be caught in a back-and-forth between Taylor Farms and its temp agencies. Now with AB 1897 on the books, employers will be held accountable for their actions.

Municipal Efforts
In Alameda County, Measure BB, legislation was passed that will allocate hundreds of millions of dollars for projects employing thousands of Teamsters. Joint Council 7 played a leading role in the campaign that enhances transportation infrastructure – creating and supporting Teamster jobs such as ready mix concrete drivers, locomotive engineers, trainmen, maintenance of way workers and paratransit drivers. The legislation also supports more than 500 Local 853 members at Gillig who make the only buses that are 100-percent made in America.

Joint Council 7 also helped elect the new mayor of Oakland, along with a clean sweep in Oakland’s city council and school board races.

“Our members outdid themselves teaming up with Joint Council 7 and 42’s political teams to be united in our drive to get the word out to the public about voting on issues of concern to working families,” said Rome Aloise, International Vice President and President of Joint Council 7.

“Without the strength that is inherent in our union, we wouldn’t have been able to defeat the corporate interests that were working against us on AB 1897.”

Southern California legislators submitted a variety of bills backed by the Teamsters, such as a bill extending film tax credits which will result in expanded job opportunities in the film industry, and a bill requiring the training of supervisors to prevent workplace bullying.

“By having Teamsters and other union support, both the film tax credit and bullying prevention bills were signed into law,” said Randy Cammack, President of Joint Council 42. “Fighting for more good jobs and helping ensure that workplaces are safe are primary responsibilities of our union. We are proud to keep the pressure on lawmakers to enact laws which support working families. Together, our members, staff and officers worked on voter registration, our annual DRIVE campaign and lobbying efforts in order to bring about these successes.”
America’s last bad trade deal cost tens of thousands of American jobs, but that won’t stop advocates of the next bad trade deal from trying to ram it through Congress.

That last bad trade deal, with South Korea, went into effect in March 2012. So-called free traders promised it would create tens of thousands of American jobs. It didn’t. In the first year, the deal increased the U.S. trade deficit with South Korea by $5.9 billion. That cost 40,000 U.S. jobs, mostly in manufacturing.

The growing trade deficit with South Korea continues to set records. In November 2014, the United States’ $2.8 billion trade deficit was the highest ever with South Korea.

The auto industry has been especially hard hit. In each of the two years following the Korea trade deal, more than 184,000 additional Korean-produced Hyundais and Kias were imported and sold in the United States, compared with the two years before the deal.

There has been a tiny gain in U.S. exports to South Korea. Exports to Korea of U.S.-made Fords, Chryslers and General Motors vehicles increased by fewer than 3,100 vehicles annually in the first two years of the deal. But those have been swamped by a surge in auto imports that the administration promised would not occur.

So before Congress decides to grease the skids for the TPP, it’s a good idea to remember the damage caused by the South Korean trade deal.
REPORT TO ALL MEMBERS
OF THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

FROM: Independent Review Board
Benjamin R. Civiletti
Joseph E. diGenova
William H. Webster

DATED: November 19, 2014

I. INTRODUCTION

This is Report Number One of the Independent Review Board for 2015 regarding activities conducted pursuant to the Consent Order. In this Report we will discuss two recently issued reports and also provide status updates on four existing Charge Reports against International Brotherhood of Teamsters Officers and Members, and two IRB Trusteeship Recommendation that you were informed of in some detail in previous Reports.

II. NEW REPORTS

A. TRUSTEESHIP, LOCAL 456, ELMSFORD, NEW YORK

On October 22, 2014, the IRB recommended to General President Hoffa that Local 456 be placed in Trusteeship because it is necessary to correct the corruption and financial malpractices at the Local, and because the Local is not being run for the benefit of its members.

The IRB found that the Local has financial control issues which enabled the principal officer to embezzle over $55,000, and the Secretary-Treasurer over $10,000. In addition, the Local officers allowed a person whom the IBT barred from participation in Local affairs to play an active role in the Local.

On November 6, 2014, Mr. Hoffa placed the Local in Trusteeship and appointed Thomas Gesualdi, President of Local 282, as temporary Trustee over Local 456 and Bernadette Kelly, International Representative, as the temporary Assistant Trustee.

B. PRESIDENT ROBERT ROBERGE, LOCAL 456, ELMSFORD, NEW YORK

On November 6, 2014, the IRB issued a Charge Report to Local 456 Trustee, Thomas Gesualdi. The Independent Review Board recommended that charges be filed against Local 456’s President and Principal Officer Robert Roberge for embezzlement and breaching his fiduciary duties by causing the Local to pay, without a union purpose, approximately $53,734.78 between January, 2009 and August 2014, for restaurant charges in the Westchester County area, for himself, officers and employees of the Local and also for meals with a former officer who was barred from being involved in Local affairs. All these expenses were charged near the local. Roberge was present approximately 368 times when such restaurant bills were charged to the Local. There was no union purpose for these restaurant charges. Thus, Roberge embezzled approximately $53,734.78 in connection with these expenses. On their face, these were personal expenses of no benefit to the Local. Roberge did not, in Local records or in his testimony, present evidence that the charges were for a union benefit. Evidencing his intent to embezzle, Roberge submitted few, if any, itemized restaurant bills despite being required to do so by Section 17 (B) of the Local’s By-laws and federal law.

In addition to charging 368 restaurant expenses with only Local personnel present, Roberge charged 134 restaurant expenses when meeting with the former Local President, Edward Doyle, Sr. while he was barred pursuant to an agreement with the IBT. From March 18, 2009 to June 2012, when Edward Doyle, Jr., the barred Doyle, Sr.’s son, had been the Local’s President, Roberge and Doyle, Sr. met at restaurants which expenses Roberge charged to the Local ten times. From June, 2012 to June, 2014, after Roberge became President and Principal Officer upon Doyle, Jr.’s death, Roberge charged 124 restaurant expenses for meetings with Doyle, Sr. On many of these receipts, Roberge indicated the purpose of meeting with Doyle, Sr. was to discuss membership meetings, Local elections and other Local business.

In 2013, Local 456, located at 160 South Central Avenue, Elmsford, New York, had 3,722 members. Since approximately June 2012, Roberge has been the Local’s principal officer. Roberge’s 2013 salary from the Local was $217,122 and his reimbursed expenses were $22,342.


III. PROGRESS OF EXISTING CHARGES

A. TRUSTEESHIP, LOCAL 36, SAN DIEGO, CALIFORNIA

On December 20, 2013 the IRB issued an Investigative Report recommending that Local 36 located in San Diego, California be placed in Trusteeship because the Local was not being operated in accordance with IBT’s Constitution, the sole full-time officer and only one other full-time employee had been dishonest and the Local was not being operated for the benefit of the members. See IRB Report 2 for 2014, dated March 11, 2014, in the June issue of the TEAMSTER.

Local 36 was placed into Trusteeship, effective as of January 21, 2014, by IBT General President, James P. Hoffa.

On June 25, 2014 IBT General President Hoffa upon review of hearing panel recommendations determined to continue the trusteeship; to allow correction of the financial irregularities set forth in his previous notice imposing the January 21, 2014 emergency trusteeship, to assure the Local’s responsibilities as bargaining agent for its members are fulfilled, and to assure that the Local is operated for the benefit of its members and in accordance with applicable law and the IBT Constitution and Local By-Laws.

On June 25, 2014 IBT General President Hoffa, upon review of the Hearing Panel’s recommendation, determined to
continue the Trusteeship.

On August 18, 2014, IBT General Counsel updated the IRB on the actions taken under the Trusteeship to address and resolve the issues raised by the IRB. The Local remains in Trusteeship.

B. SECRETARY TREASURER PATRICK FLYNN, LOCAL 710, MOKENA, ILLINOIS

On June 19, 2014 the IRB issued a Charge Report to IBT General President Hoffa recommending that charges be filed against Local 710 Secretary Treasurer and Principal Officer Patrick Flynn (“Flynn”) for violation of the IBT Constitution and breach of his fiduciary duties to the Local and its members, bringing reproach upon the IBT in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1)(2) and (3) of the IBT Constitution through embezzling and not accounting for union property disbursed when under his control, to wit:

Between approximately January 2008 and September 2013, while Secretary-Treasurer of Local 710, he embezzled approximately $58,325 in gift cards from Local 710, as described in the investigative report, there were 190 surplus $150 gift cards and 1,193 surplus $25 gift cards which were under his sole control that he used without maintaining any records showing the required information for disbursing Local funds. Flynn's omissions allowed him to conceal his possession and use of Local property.

While the principal officer and a member of Local 710, he brought reproach upon the IBT, by interfering with the Local’s legal and recordkeeping obligations under Federal Law, exposing the Local to the risk of civil and criminal actions. Flynn denied the members and the IBT information to which they were entitled to have access.

On June 25, 2014, IBT General President Hoffa notified the IRB by letter that he determined to adopt and file the charges, and appoint a hearing panel to hear the charges.

On July 22, 2014 the IBT issued a Notice of Hearing to Patrick Flynn setting the date of the hearing as August 11, 2014.

On August 6, 2014 the IBT submitted to the IRB an Affidavit and Agreement to a 5 year bar from holding office or appointments with Local 710 or any other IBT Affiliates, 3 year suspension from membership and restitution in the amount of $58,000 paid through the waiver of his July commission and accrued vacation, leaving a remaining balance of $24,780.99 to be paid within 30 days of the approval of the agreement. After review of the agreement and related sanction language the IRB, on August 14, 2014, returned the agreement to the IBT as inadequate.

On August 18, 2014, the IBT submitted to the IRB an amended agreement signed by Flynn. The Amended Agreement provided that Flynn would be barred from holding Office for a period of eight years, he would also be barred from membership for a period of five years and would have to make restitution of the remaining balance to IBT within 30 days of the effective date of the Agreement. The IRB approved the amended agreement and submitted it to the Court on September 17, 2014. Judge Preska approved the Agreement on September 23, 2014, Granting Application 173 and thus closing this case.

C. TRUSTEESHIP RECOMMENDATION, LOCAL 710, MOKENA, ILLINOIS

On July 18, 2014, the IRB issued a Trusteeship Recommendation to IBT General President Hoffa regarding this Local’s financial malpractices, corruption and failing to operate the Local for the benefit of its members.

On July 21, 2014 General President Hoffa appointed Brian Rainville to be his personal representative at the Local.

On July 30, 2014 General President Hoffa imposed a Temporary Emergency Trusteeship over the Local and appointed International Vice President and Joint Council President John T. Coli as Trustee.

On August 18, 2014 the IBT General Counsel by letter-updated the IRB on the actions taken under the Trusteeship. The Trustee has appointed persons to positions to help to insure the functioning of the Local for the benefit of its members in the day to day operation of the Local during this transition. The former officers are cooperating. The Trustee has assigned a new accounting firm to audit the Local’s finances and the Trusteeship Hearing scheduled for September 30, 2014 was held. The Local remains in Trusteeship.

D. FORMER OFFICERS, MICHAEL SWEENEY, GERALD PAULI, CHARLES DECOLA, LARRY ALEXANDER, ANTHONY LAMY, KEVIN WAGONER, LOCAL 710, MOKENA, ILLINOIS

On August 15, 2014 the IRB issued a Charge Report to the Local 710 Trustee, John T. Coli recommending that charges be filed against former Local 710 officers Michael Sweeney, Gerald Pauli, Charles DeCola, Larry Alexander, Anthony Lamy and Kevin Wagoner, who were all fiduciaries under 29 U.S.C. § 501, for breaching their fiduciary duties to protect Local assets by failing to investigate unusual financial transactions. In 2011, the Board approved then principal officer Patrick Flynn's request to purchase 1,000 $25 gift cards for the purpose of distribution of one card to each attendee at the November 2011 membership meeting. At the time of that vote, the officers knew or should have known that 1,000 gift cards were substantially more than necessary for the purported purpose because not even 600 members had attended any membership meeting since at least January 2007. Only 598 members attended the November 20, 2011 membership meeting. The officers also knew that at least $10,000 of surplus cards would go into Flynn's possession and he would use them for non-approved purposes. Yet they acquiesced in allowing Flynn to buy and then control these $10,000 worth of cards that would not be used for the authorized purpose. The cards were cash equivalents. Under the guise of the authorized purpose, these Board members moved $10,000 of the Local’s funds to Flynn. Despite being present at the membership meeting in November 2011 when far fewer than 1,000 members attended, the Board members did not have Flynn report to the Board on the surplus cards. Indeed, the cards were not accounted for in any Local record. That the officers did nothing to determine what
happened to the over 400 unused cards in his possession worth over $10,000 after the November 2011 membership meeting evidenced their determination to remain blind to Flynn’s misconduct. They abandoned their fiduciary responsibilities to protect the Local’s assets. This was consistent with their pattern over prior years of failing to determine what happened to surplus gift cards in Flynn’s possession of which they were aware.

Fourteen months later, in January 2013, the former officers also gave Flynn blanket authority to dispose of undefined “surplus items” that were Local property without knowledge of the value of the items, including gift cards, that were covered by the resolution about which they had no inquiry. If they had, they would have learned these items were acquired without authorization and not reported in the Local’s records. This was only 14 months after they knew or should have known there was an over 400 card surplus resulting from their November 2011 resolution which they had made no inquiry about. Yet, shortly after, they learned Flynn had only 10 of those cards. They made no inquiry into the cards they knew were unaccounted for.

By their conduct, it appears that the former officers brought reproach upon the IBT and breached their fiduciary duties to protect Local assets in failing to investigate these unusual transactions in violation of Article II, Section 2(a) and Article XIX, Section 7(b)(1) and (2) of the IBT Constitution and 29 USC §501(a).

On August 21, 2014, by letter, General President Hoffa informed the IRB that the Local 710 Trustee upon receiving the Charges had referred the Charges to him and he has determined to adopt and file the charges and to appointed a panel to hear the charges.

On September 16, 2014 an Affidavit and Agreement was received from the IBT signed by Lamy and on September 17, 2014 one was received from IBT signed by DeCola.

On September 17, 2014 both Agreements were approved by the IRB and on October 1 were sent by Application 174 and 175 to the Court. On October 8, 2014, Judge Preska approved the Lamy and DeCola Agreements thus granting Applications 174 and 175.

On October 22, 2014, via letter from IBT General Counsel Raymond, giving notice that a hearing was held on October 15, 2014 to hear Charges against Alexander and Wagoner. A hearing decision is in process for Alexander and Wagoner.

Mr. Raymond also enclosed Sweeneys Affidavit and Agreement and made notation that Pauli’s Affidavit and Agreement would follow. On October 31, 2014, the IRB received Pauli’s Affidavit and Agreement. On November 13, 2014, after review of the Agreements, the IRB returned both the Sweeney and Pauli Agreements to the IBT as inadequate.

E. MEMBER FRANK RADICE, LOCAL 817, GREAT NECK, NEW YORK

On December 19, 2013 the IRB issued an Investigative Report to the IBT General President with the recommendation that charges be filed against Frank Radice (“Radice”) for being a member of organized crime and unreasonably failing to cooperate with the IRB by refusing to appear for his sworn examination on October 11, 2013. Among the issues the Chief Investigator intended to question Radice about during his sworn examination was whether he was a member or associate of organized crime and whether he had any contact with individuals reported to be organized crime members and associates. The FBI has provided an affidavit from a Special Agent stating that in his expert opinion Radice is a member of the Gambino Organized Crime Family. (See IRB Report 2 in the June 2014 Issue of the TEAMSTER).

Mr. Hoffa, in a letter to the IRB dated December 20, 2013, stated that he determined to adopt and file the charges against Radice, and in accordance with past practice, he referred these charges back to the IRB for adjudication.

An IRB hearing on this matter was held March 12, 2014 in New York City. Neither Mr. Radice nor his Counsel appeared for the Hearing. The IRB’s June 18, 2014 Opinion and Decision on this matter permanently expelled Radice from membership and permanently barred him from holding office or employment with the IBT or its affiliated entities. He may not receive any payments, salary, gratuities, gifts, severance payments, allowances, fees, benefit payments or contributions or other compensation of any kind from Local 817 or IBT affiliated entities, except that he may receive any pension, vacation or other benefits from an existing plan or program maintained by Local 817 or other IBT affiliated entities which had vested or accrued prior to his expulsion from membership.

On June 18, the IRB submitted its Opinion and Decision to the Court by way of Application 170.

F. LOCAL 1150 PRESIDENT AND BUSINESS AGENT HARVEY JACKSON, JOINT COUNCIL 10, MANCHESTER, NEW HAMPSHIRE

As reported in the previous issue, on August 29, 2014 the IRB was informed, by the Local 1150 Secretary-Treasurer, that Jackson died. In response, the IRB on August 29, 2014 sent a letter to the Court informing of the death of Mr. Jackson and respectfully requesting the withdrawal of Application 172. On September 2, 2014 Judge Preska ordered the withdrawal of Application 172, thus closing this case.

IV. TOLL-FREE HOTLINE

Since our last report to you, the hotline has received approximately 161 calls reporting alleged improprieties. As in the past, all calls appearing to fall within IRB jurisdiction were referred for investigation.

Activities which should be reported for investigation include, but are not limited to, association with organized crime, corruption, racketeering, embezzlement, extortion, assault, or failure to investigate any of these.

To assure that all calls are treated confidentially, the system which records hotline calls is located in a cipher-locked IRB room on a dedicated line and accessed only by an IRB staff member. The
recorded information, if complete and within IRB jurisdiction, is forwarded directly to the Investigation’s Office in New York City. Please continue to use the toll-free hotline to report improprieties which fall within IRB jurisdiction by calling 1-800-CALL-IRB (800-225-5472). If you are calling from within Washington, DC, dial 202-434-8085.

V. CONCLUSION

As always, our task is to ensure that the goals of the Consent Order are fulfilled. In doing so, it is our desire to keep the IBT membership fully informed about our activities through these reports and also through use of the website at www.irb-cases.org.

If you have any information concerning allegations of wrongdoing or corruption, you may call the toll-free hotline number noted above, use the IRB facsimile number 202-434-8084, or write to either the IRB Chief Investigator or the IRB office:

Charles M. Carberry, Chief Investigator
17 Battery Place, Suite 331
New York, NY 10004

Independent Review Board
444 North Capitol Street, N.W.
Suite 528
Washington, DC 20001
Guarantee Your Future

For High School Seniors who are Children of Teamster Members.
For more information, contact your local Teamsters Union office or visit

www.teamster.org
Teamsters now have access to a leading brand of tax preparation software, TurboTax. Buying TurboTax through the Teamster page, you’ll receive a discount, plus a portion of what you pay goes toward the James R. Hoffa Memorial Scholarship Fund. http://ibt.io/turbotax

**TurboTax products feature:**

- A step-by-step interview with easy-to-understand questions;
- Forms automatically filled out using your answers; and
- 100-percent accurate calculations guarantee.

Keep more of your hard-earned money this tax season. You can access the Teamster TurboTax page at http://ibt.io/turbotax