



March 17, 2008
The Honorable Hillary Clinton
Hillary Clinton for President
4420 N. Fairfax Drive
Arlington, VA 22203

Dear Senator Clinton:

I write on behalf of the USW International Executive Board and the 1.2 million active and retired members of the United Steelworkers union (USW) to request that you clearly articulate your views on the competitive challenges our nation faces. Your views will be especially important to the more than 175,000 of these active and retired Steelworkers in Pennsylvania as they evaluate how they will cast their votes in the upcoming presidential primary on April 22. We intend to share your responses, along with our evaluation of them, with our members and retirees to help them make their decision.

Economic issues have risen to the top concern of voters as they evaluate the many important challenges facing our country. At the heart of these problems are the nation's failed trade policies. Indeed, America faces a trade crisis. More than 3.3 million manufacturing workers have lost their jobs and more than 40,000 facilities have closed their doors since 2000.

The economic devastation wrought by these losses continues to spread across the country, putting at risk the livelihoods and homes of countless Americans. The massive trade deficit induced by these failed policies is now running at the rate of roughly \$2 billion per day – an unsustainable imbalance that is mortgaging our economic future.

Although components of these failed trade policies have been discussed during the Ohio primary campaign, that discussion was by and large limited to NAFTA's failures. While NAFTA was a seminal event in the accelerating effects of globalization, singular focus on it effectively distracts from a more revealing debate about how our trade policy must be changed to reflect the needs of workers and communities. For instance, if we fail to address China's unfair and predatory trade practices, our nation will continue to face shuttered factories and shattered dreams.

The Bush Administration has merely relied on dialogue to cope with these staggering challenges. Few, if any, concrete gains have resulted from their meager efforts. Rather than measuring results by the volume of words in press releases or the number of agreements signed, we must measure success by the jobs and opportunities created for working people across this country.

The next President has the opportunity to chart a different course. On behalf of our members, and working people across this country, we would like your specific, detailed responses to the following issues and questions in order to determine what new direction you would pursue, if elected.

Rejecting Market Fundamentalism: We don't have all the answers to the wide range of issues raised in this letter, but we do know that trust in the "mystical" powers of the free market is not the answer. We begin, therefore, by asking you this fundamental question:

Do you agree with us that inadequate regulation in the face of gaping disparities in wages and rights between our country and those of the developing world is a fundamental flaw in the current trading regime that must be addressed?

Yes.

If so, what regulations are you prepared to advocate in order to remedy these fundamental flaws?

I have put forth a number of trade-related policies during this campaign, and as Senator, I have been a strong advocate for enforcing our trade laws. In the early months of my presidency, I will observe a time-out from new trade agreements until my administration has reviewed all of our existing agreements and formulated a comprehensive trade policy for the 21st century. I will require that all future trade agreements contain strong and enforceable labor and environmental standards that ensure our workers are not trapped in a race to the bottom. I have introduced legislation in the Senate that would require periodic review of all our trade agreements to make sure they are serving our interests, and I have called for the renegotiation of NAFTA. Furthermore, I am committed to making the necessary investments in green technology, innovation, and infrastructure to create millions of new jobs that cannot be outsourced. Finally, I announced a policy initiative just this week to eliminate tax incentives for companies that outsource jobs, and I will use the savings to encourage U.S. companies to create – or “insource” – jobs here in the United States. It would provide \$7 billion per year in new tax benefits and investments to help companies create high-paying, high-quality jobs in the United States and compete in the global economy.

In addition, I believe that we need to strengthen regulation and oversight more broadly to protect consumers and ensure that our economy is working for American families. When it comes to our financial markets, I have proposed a new 21st century regulatory framework to help maintain economic stability and avert financial crises like the one we are currently experiencing. I am calling on the administration to take six essential steps to improve regulation and oversight of the financial system: establish a federal minimum standard for mortgage originators; make all institutions eligible to receive the Federal Reserve's credit also subject to regulation equivalent to commercial banks; increase oversight for complex financial products; reduce conflicts of interests for rating agencies; strengthen consumer protections for credit cards and students loans; and enact legislation like Rep. Frank's and Sen. Dodd's to expand the Federal Housing Administration's ability to guarantee

restructured mortgages. We need to move forward immediately to enact 21st century regulations for the financial system and help struggling families stay in their homes.

I have called for concrete reforms to begin cracking down on abuses in the credit card industry. First, I believe it is imperative to impose a national annual interest rate cap of 30 percent on all credit cards and to work toward an even lower rate. High-interest rate cards are a pair of financial handcuffs for borrowers and we need to bring them down to reasonable terms. Second, I will ban unfair practices that credit cards use to pad their profits like universal default, double billing, and sudden arbitrary interest rate hikes. Third, I will create a Financial Product Safety Commission to crack down on lending abuses and protect consumers who use credit cards and other financial products. Right now, our regulations are too weak, and our enforcement is scattered and tepid.

The private student loan industry has expanded considerably over the past decade, and too often operates by deceiving students into thinking that the loans they are signing up for are safe federal loans. When I am President, I will enact a Student Borrower's Bill of Rights to protect students and their families from predatory lending practices that have been increasingly prevalent in the private student loan market. The Bill of Rights would provide a right to timely, accurate and transparent information that is written in easy-to-understand language; a right to affordable loan payments calculated as a percentage of income, which will allow students who want to go into public service to pursue their dreams; and a right to shop in a free marketplace for their lender and to borrow without exploitation.

In the Senate, I was very active in making sure our trade agreements benefited New Yorkers, and I took action when lax enforcement or unfair practices hurt New York's industries. In 2001, I submitted testimony to the ITC urging them to find that the U.S. steel industry suffered "serious injury" from cheap steel imports. In 2003, I testified in front of the ITC again to express my support for continuing a temporary import remedy for the steel industry. Other examples of my activity on this issue include successfully pushing for the ITC to issue an agreement that protected the New York candle industry from unfair Chinese imports and introducing legislation that would help New York industries by closing a loophole allowing products almost entirely made in China to be exported from other countries and avoid U.S. quotas. In 2003, I launched a non-profit to help local New York industries increase their competitiveness, reach markets downstate, and increase their success in today's economy. This issue has been very important to me, and I will be an aggressive advocate of trade enforcement as President.

Of especially deep concern is our trade deficit with China. Last year it rose again to a historic level. Worse yet, our families are now being subjected to a flood of unsafe, unhealthy, and sometimes deadly products, many of them subsidized by the Chinese government – all of them the product of China's lax or non-existent safety rules or law enforcement.

Furthermore, company after U.S. company has picked up and moved operations to China with the goal of reaping the benefits of low wages, unsafe working conditions and, all too often, the oppression of workers. In the wake of their departures, American workers and their companies

have been devastated.

Many of these companies have transferred technology which has helped accelerate China's position as an export powerhouse. Indeed, almost 60% of China's exports to the U.S. come from foreign-invested enterprises.

Reducing the Trade Deficit: Our nation's current account deficit is now more than 5% of Gross Domestic Product. This huge deficit is not only unsustainable, it is creating a growing drag on economic growth and undermining our ability to invest in America's future.

Do you believe that the trade deficit is a problem and, if so, what specific steps will you take, if elected, to reduce it?

Yes. The trade deficit has nearly doubled since President Bush took office. He has failed to enforce our trade agreements and has stood by while China manipulated its currency in order to make their goods inexpensive on the world markets and our goods expensive. I have co-sponsored two pieces of legislation that attempt to resolve China's currency manipulation. The first called on an additional 27.5 percent import duty on Chinese goods until the President certifies that China is no longer manipulating exchange rates and is complying with accepted market-based trading policies. The second piece of legislation I co-sponsored established a protocol for identifying instances of currency manipulation and laid out steps to address it if it occurs, including disallowing the federal government to purchase goods from the country at fault. As President, I will vigorously enforce our trade agreements and pressure China to play by the rules.

One priority for addressing our trade deficit is boosting our national savings rate. Companies need incentives to invest more in plant and equipment; families need help to save for their future; and the government has to return to fiscal discipline. I have put forward proposals to help increase savings in all three of these areas. On Wednesday I announced my "insourcing" agenda," including a plan to disburse up \$500 million a year in competitive federal matching grants for state and local governments to stimulate their regional economies. Closing loopholes for companies that move jobs abroad will complement this measure. To help Americans save for retirement, I will strengthen defined benefit pensions, safeguard Social Security, and provide a matching tax cut of up to \$1,000 for families to help them save and build wealth for their future. And as President, I will practice fiscal responsibility to move us back toward balanced budgets.

Do you believe the President has all the tools to act in reducing our trade deficit and ensure that fair trade takes place, or is there additional authority you intend to seek?

No. As President, I will vigorously enforce our trade laws, including enacting new tools when necessary. For example, I will appoint a new trade enforcement officer and double the enforcement staff at USTR. The current staff is too small to properly monitor and enforce the increasingly complex trade agreements. I will also direct the ITC to report to Congress on each FTA's effect on specific U.S. industry sectors, to what extent the trading partner has enforced its labor and environmental agreements, and whether the agreement

is making progress in achieving the objectives of the Bipartisan Trade Promotion Authority Act. Vigorous enforcement of our trade agreements has not been a priority for President Bush – but it will be for me.

Challenging China’s Trade Violations: Currency misalignment induced by the Chinese government is having a highly corrosive impact on our nation’s manufacturing workers and their employers. Provisions must be enacted that ensure prompt action on currency manipulation – action that does not require all-but-impossible proof of “intent” – and that treat currency manipulation as an illegal subsidy in anti-dumping proceedings. We ask, therefore:

Do you believe that China’s currency is misaligned due to government policies?

Yes.

If so, what specific steps would you take as president to ensure it is realigned?

I have co-sponsored the Currency Exchange Rate Oversight Reform Act, which will force the administration to take aggressive steps to stop harmful currency manipulation. As President, I will be committed to ensuring that this is signed into law. If China continues to artificially manipulate its currency, I would consider one or more of the following actions: using the antidumping laws to adjust export prices to account for the price distortion caused by currency misalignment; disallowing the federal government to purchase products or services from China; or directing U.S. banks to pause in issuing loans to China; and pressuring the IMF to consult with China.

What legislation will you advance to readily and forcefully challenge China’s currency manipulation?

Please see above.

Enforcing Fair Trade: Section 421 of our laws was created to ensure that China practiced fair trade in winning accession to the WTO and to give the U.S. a tool for responding to import surges. On four occasions, the International Trade Commission (ITC) held that the threat of injury in cases filed against China was clear. In each instance, President Bush turned his back on U.S. producers and their employees. In two of those cases it was our members whose lives were irrevocably altered when they lost their jobs. The President’s discretion in this and other areas must be reduced, if not eliminated.

Given China’s repeated violations, will you support decisions of the ITC to provide relief to domestic industries and their workers?

Yes, I will enforce our trade laws to insure that China does not use unfair trade practices to hurt our industries.

If not, under what circumstances do you believe relief should be denied to those who are simply seeking to have our trade laws faithfully enforced?

N/A.

Denying China Market Economy Status: The Department of Commerce is currently considering applying market-economy treatment to individual companies in antidumping cases involving China. There is no evidence that China is a market economy. Indeed, when China joined the WTO it agreed to be subject to non-market economy treatment for a period of up to 15 years. Accelerating this process on a country-wide or more limited basis could seriously undermine the effectiveness of our trade remedies and our ability to fight for our members' jobs.

Will you oppose efforts to apply market economic status either generally or on a limited basis for China unless Congress, by joint resolution, approves of such a change in status?

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

Demanding Food and Product Safety: The dramatic rise in the flow of trade has brought with it a concomitant rise in the number of unsafe and unhealthy products entering our country, the lion's share of them from China. We must have adequate standards, rules and enforcement tools to ensure the health and safety of our people. While we must do our best to enhance our inspection and interdiction infrastructure, we must apply market-based principles to ensure that importers are liable for the products they bring into this country. Only they have the power to go up the stream of commerce to demand that their suppliers engage in safe practices when they provide them with the products they import, and the need to enforce that power must be legislatively mandated.

To stem the flood of unregulated food, drug and other Chinese imports endangering our citizens' health and safety, will you support legislation requiring that importers have adequate recall and product liability insurance to compensate consumers when they suffer from or are adversely affected by unsafe or unhealthy products?

Yes. Last year, I put forth a plan to ensure the safety of products imported into our country. I included in that agenda a proposal to allow the Consumer Product Safety Commission (CPSC) to require that at-risk companies pay a bond as a condition of import. In order to protect consumers and taxpayers from fly-by-night foreign importers, I would authorize the CPSC to demand bond payments from companies that might disappear or otherwise prove unable to meet financial obligations arising from their violative shipments, including obligations to adversely affected customers. In addition to that proposal, I would support requiring that all importers have liability insurance or some other credible means of proving that they have the ability to pay adequate and fair compensation for any harm they cause.

Also, I will impose stiffer penalties and pursue criminal prosecutions against companies that put our children and citizens at risk. I will increase criminal penalties to five years in

jail for those who knowingly and willingly break the law by importing unsafe products. I will also raise the cap on fines for failure to report known hazards from \$1.85 million to \$25 million, increase maximum penalties against companies that repeatedly import products that violate American law, and create a new penalty for retailers that sell recalled products.

Will you support mandatory country of origin labeling for all consumer products so that families know where the products they buy come from, giving them the ability to protect their families' health and safety?

Yes. I strongly believe that consumers have a right to know where their products are coming from. I have long supported Country of Origin Labeling for a wide range of food products. I will also support country of origin labeling for consumer products and will move toward a workable, common-sense rule starting with at-risk products.

What additional resources and enforcement authority will your administration provide to ensure that products are adequately inspected before they enter the stream of commerce?

As President, I will hold foreign producers of drugs and toys to American safety requirements. I would require that all imported toys in at-risk categories (including those containing paint, magnets, or coating) be tested by independent third-party testing organizations to assure they do not contain hazardous substances or otherwise pose serious risks to children. I would move to a certification and testing program for all toys, both imported and domestic. And I would allow the CPSC to detain shipments that do not meet testing requirements.

I would authorize a three-fold increase in the number of CPSC investigators, compliance staff, and engineers who evaluate products. I would direct that a significant number of the new hires be deployed as part of a strategy to meet the threat posed by imported children's products. To improve coordination, Customs liaison officers should be appointed to head up cooperative efforts between the CPSC and Customs at major points of entry.

And I would establish a complete ban on lead in children's products. Today, there is no longer a reason for lead in toys or other products. I will work with the CPSC and Congress to ensure that all children's products are lead-free.

Requiring Human Rights in Colombia. The Bush Administration appears ready to submit the U.S.-Colombia Free Trade Agreement to Congress, despite the fact that Colombia has disregarded human and labor rights by failing to stop the murders of union members and their leaders. Indeed there is growing evidence that the Uribe Administration has undermined judicial efforts to bring the perpetrators to justice. This follows the Bush Administration's negotiation of numerous trade deals, including the U.S.-Peru Free Trade Agreement, which have only fueled a rising trade deficit and rising economic inequality, job and wage losses.

Equally troubling are suggestions now being made in Congress that providing improved Trade Adjustment Assistance should clear the way for considering the FTA with Colombia. The

capital crimes being committed against workers in Colombia and the damage being done to U.S. workers by flawed trade policies are completely unrelated. Therefore, we ask:

Do you agree that the assassination of trade unionists in Colombia and the need for improved Trade Adjustment Assistance are separate issues that should be addressed separately?

Yes, I think the two issues should be treated separately. The violence must be adequately addressed before we even consider finalizing the trade agreement. That means not only reduction in violence but also a full, fair and transparent effort to prosecute and bring to justice those who have perpetrated violence against labor leaders.

On the separate issue of Trade Adjustment Assistance, as President, I will ensure that workers who are hurt by the global economy receive the assistance and training they need to get back on their feet. I have proposed to expand the TAA program to help all displaced workers regardless of the reasons they lost their jobs. I think it is unfair that only workers whose jobs were lost as a direct result of a free trade agreement are eligible for TAA; my plan will expand assistance to all displaced workers, regardless of whether their jobs were lost as a result of free trade, outsourcing, economic downturn, or technological change. I will also expand TAA to cover service workers, so people in occupations like call-center operators receive assistance. I also plan to expand Pell Grants, so any worker who lost a job of three or more years because the plants where they were working closed or moved elsewhere will be eligible for the minimum benefit if they enroll in a training, certificate or degree-granting higher education program. My plan also helps provide opportunities for workers to get education and skills while still on the job; I will create a new education and training program, implement a preemptive training initiative for vulnerable communities, and create more flexible employer tuition benefit programs. I will also overhaul the Health Coverage Tax Credit to make it far more generous and to enable certain beneficiaries to use it to buy into the health plan that is available to Members of Congress.

Given Colombia's egregious human rights violations, would you, as president, refuse to put forward an FTA with Colombia until assassinations of trade unionists have ceased and those responsible for the murders have been brought to justice?

Yes, I would refuse. I have opposed the agreement with Colombia because of its history of violence against trade unionists and its inadequate efforts to bring perpetrators of that violence to justice.

If not, what demands would you make on Colombia to comply with international human rights standards?

N/A.

Reforming Trade Negotiating Authority: Fast track trade negotiating authority has now lapsed because the public and their representatives in Congress have lost faith in the President's willingness to negotiate agreements in working people's interests. Given this breakdown in public trust:

Do you intend to seek fast track trade negotiating authority?

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

If you intend to seek fast track trade negotiation authority, will you support Congress having the ability to vote on an agreement before it is signed to ensure that the interests of the citizens they represent are clearly included in a final agreement?

The Bush administration's cooperation with Congress on trade policy has been abysmal. Under my administration, Congress will be a real partner not only in crafting a 21st century trade policy – one that places the same emphasis and enforcement mechanisms on labor and environmental standards as it does on commercial provisions – but also in deciding which countries with which we should negotiate in the first place.

Enforcing Anti-Dumping Laws: Our trade laws exist to ensure that unfair and predatory trade practices will not go unanswered. Yet, even after the government rules that our trade laws have been violated and that remedies should be applied, the fight may not be over. Between 2001 and 2006, more than \$700 million in duties were not collected by Customs and Border Protection. Of this amount, almost 80% of the uncollected duties were from imports from China. Therefore, we ask:

Will you direct your administration to collect all duties that are owed?

Yes. The Bush administration has not prioritized collecting duties, nor has it prioritized most other aspects of trade enforcement. I will undertake exhaustive measures to collect all duties we are owed.

Will you support additional legal authority so that the Administration has all the tools necessary to ensure that importers cannot avoid paying duties that are legally owed?

Yes. We should have the ability to take appropriate legal authority to ensure that other countries meet legal requirements agreed to under international trade laws, including paying any duties that are owed to us.

Will you support legislation to give the ITC broader authority to penalize foreign companies who game the system by refusing to provide information in the form and manner required?

Yes. I think the ITC should have all authority necessary to fully enforce our trade laws.

Will you support legislative efforts to allow the ITC to consider injury that has already occurred to U.S. workers and their employers in determining whether to provide relief in a dumping case?

My administration will take all measures necessary to ensure workers are not penalized by unfair trade laws or lax enforcement, including those regarding the provision of relief in dumping cases.

Reinstating the Dumping and Subsidy Offset Act: The U.S. never agreed to provisions at the World Trade Organization that addressed the question of what use dumping duties may be put to once they are collected. Unfortunately, the WTO imposed new obligations on the U.S. that were not agreed to through negotiations that led to the repeal of provisions that allowed dumping duties to be used by adversely affected producers to reimburse them for expenditures they have made to remain competitive after facing injurious imports.

Will you support efforts to reinstate the Continued Dumping and Subsidy Offset Act and demand that the WTO's overreaching actions stop?

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

I strongly believe that the President should not rush to sign other trade agreements on his way out of office.

Preventing Illegal Logging: Laws must be updated to ensure that our government stops imports of products made with illegally harvested timber – either in the country engaging in the illegal harvesting or through downstream purchasers of those products, such as China's dumping of pulp from illegal clear cutting in Indonesia – unfair trade that has already wiped out some 2,000 U.S. paper workers jobs. Therefore, we ask.

Will you support updating the Lacey Act to provide additional authority for prohibiting the importation of products from illegal logging?

Yes, I support updating the Lacey Act to prevent the importation of timber and other products that come from illegal logging.

Will you direct your Administration to consider the benefits of illegal logging as a financial subsidy to foreign producers subject to our unfair trade laws?

Yes. I raised this issue in 2001 and 2002, regarding the U.S.-Canada Softwood Lumber Agreement. I, along with many of my Senate colleagues, wrote a letter to President Bush asking that the administration enforces U.S. trade laws that safeguard against subsidized and unfairly dumped imports. I was concerned about the level of unfair trade that the subsidized Canadian softwood lumber held in the U.S. market.

Thus far our questions have addressed fair rules for a global trading system. The integrity of such a system demands that all countries live by these rules – no manipulation of currency, no government subsidization of exported product, no dumping of product at prices below cost. China and other countries have violated these rules and destroyed American jobs in the process.

But let's be candid. Even if violations of fair trading rules are remedied, our manufacturing sector will continue to be at a competitive disadvantage because global corporations are searching the world for countries that allow them to exploit workers. Sadly, they've found much fertile ground for exploitation.

Workers in our country making \$15 per hour (barely \$30,000 per year) simply cannot compete with workers in the developing world making 40 cents an hour. We will never have a level playing field until our leaders deal with this tremendous gap. The bill that would ban the importation of goods produced in sweatshop conditions is a good first step and we applaud the Democrat candidates for supporting it and urge Senator McCain to do the same.

The inclusion of labor rights in the core provisions of trade agreements is valuable, but we have seen from the operation of the Jordan FTA, and from the experience with corporations in this country disdaining our right to organize and bargain, that simply putting words into agreements does not solve problems.

More in the way of American leadership is necessary. Exploitation of workers around the world must be stopped. The standards of living of most of the developing countries must be raised. Until substantial progress is made we cannot hope to have a level playing field for American workers. We hope you agree with us and we hope that you will provide us with your ideas for bringing about a truly level playing field in a manner that does not sacrifice American jobs and the American standard of living.

Our members are deeply interested in these issues. They have been on the front lines in the battle against unfair trade and have experienced, first hand, the impact of foreign protectionist and predatory practices. They will be deeply interested in your answers to the above questions.

As President, I will craft a trade policy for the 21st century that is genuinely pro-worker, pro-American, and vigorously enforced. I will insist on the inclusion of strong labor and environmental provisions in all trade agreements so that American workers are not caught in a race to the bottom.

For more than 35 years, I have worked to improve the lives of hard-working Americans – and I will continue to do so when I am President. I have put forth several specific policy proposals that will strengthen unions, strengthen the middle class and help American families succeed. Below I highlight a few of those ideas.

Right to organize

I have been proud to stand with organized labor whenever I was called, and I fully support the right to organize and bargain collectively for a better way of life, higher wages, quality health care, and a secure retirement. I am committed to strengthening unions as a way to

strengthening the middle class. I am an original co-sponsor of the Employee Free Choice Act (EFCA) and when I am President, I will make this one of my top priorities. My administration will work to pass it in my first 100 days. The EFCA would level the playing field between workers and employers and ensure that employees would not be unfairly punished by their employers for attempting to unionize. The right to organize is a fundamental right that I have supported throughout my decades in public service.

NAFTA

As President, I will observe a trade “timeout” until my administration has reviewed all existing trade agreements to determine whether they are good for our economy and has created a trade policy that will strengthen our country. I have said that NAFTA was a mistake – it has not lived up to its promises. As President, I will work with Canada and Mexico to fix the agreement so that it works for America. I have a four-point plan to fix NAFTA. Specifically, my plan calls for:

- *Dramatically strengthening NAFTA’s labor and environmental provisions.* Strengthening these provisions will elevate labor and environmental standards around the world, protecting our workers from a race to the bottom. It will also make it harder for companies to move jobs to countries where workers have fewer protections than they do in America. NAFTA’s labor and environmental provisions are now in a side agreement rather than in the core text. The requirements are weaker than those I will demand in future trade agreements and weaker than those the Democratic leadership recently crafted. As President, I will bring NAFTA’s labor and environmental protections up to date. I will make the standards far tougher and absolutely binding, and I will place them in the core agreement in order to raise living standards around the world.
- *Changing NAFTA’s investment provisions that grant special rights to foreign companies.* Under NAFTA, foreign companies can challenge American laws before special tribunals and outside of our court system. The laws that foreign companies can challenge include regulations intended to protect workers and protect the environment. I believe that trade agreements must elevate standards of living around the world, not empower corporations to hold them down.
- *Strengthening NAFTA’s enforcement mechanisms.* Stronger enforcement mechanisms will ensure strict compliance with the agreement and it will help remove trade barriers our companies may still encounter. I will apply the stronger enforcement mechanisms not only to NAFTA’s commercial provisions, but also to its labor and environmental provisions.
- *Reviewing NAFTA regularly.* Regular reviews will enable us to measure whether our workers and communities are reaping benefits, ensure that labor and environmental standards are improving, and allow us to assess whether the agreement requires additional changes going forward.

Energy

As part of my plan to address global warming and to move our country toward energy

independence, I have proposed to create a Strategy Energy Fund that would inject \$50 billion over 10 years into research, development, and deployment of renewable energy, energy efficiency, clean coal technology, ethanol, and other homegrown biofuels. I will require oil companies to either pay into this fund or invest in clean energy technologies themselves. My proposals will create at least five million new jobs.

Manufacturing

I believe that we cannot remain a great country with a strong economy if we don't make things in America. The loss of manufacturing jobs overseas threatens our economic future. And our dependence on foreign countries to manufacture equipment for our military needs threatens our national security as well. As co-chair of the Senate Manufacturing Caucus, I understand the challenges and opportunities facing America's manufacturing industry. As President, I will invest in processes and products that could lower costs, improve efficiencies, and create more U.S. manufacturing jobs. I will expand the Manufacturing Extension Partnership, which for a \$100 million investment yields \$910 million in new investments and trains or retrains 50,000 workers. And I will provide \$20 billion in Green Vehicle Bonds to help American auto companies retool old plants to meet strong efficiency standards.

I recently announced three new initiatives to help catalyze manufacturing research and ensure that the U.S. becomes a leader in clean energy manufacturing. First, I will create a Manufacturing Advanced Research Projects Agency (MARPA), which would manage and direct basic and applied R&D projects for the manufacturing sector, and pursue research and technology where risk and returns are very high and where success may provide dramatic advances for traditional manufacturing processes. Second, I will invest \$500 million annually in a "Made Green in America" fund to encourage the creation of high-wage jobs in clean energy manufacturing technologies. Under this proposal, domestic facilities that manufacture qualifying clean energy technologies, such as wind and solar, or the components of such technologies, would be eligible to receive awards of up to 30 percent of the costs of engineering, retooling or construction of facilities to manufacture qualifying clean energy technologies. This fund would also invest in creating business "ecubators" – small firms that are developing and testing early-stage ideas with the potential to transform our energy sources to be cleaner and more sustainable. Third, I will create a new G-MEP program as part of the Manufacturing Extension Partnership that will focus on green energy. This new initiative will provide a broad range of tools and technical assistance, and serve as a repository of shared best practices by being linked to G-MEP centers all around the country, for small and medium sized manufacturers who are working to create sustainable energy sources.

In addition, I will build on the success of the New Markets Tax Credit Program, I will launch a new public/private partnership to bring new investment and jobs to communities that are vulnerable to global competition, and provide them with the tools to become leaders in our economy. While the NMTC has played a crucial role in bringing investment and job growth to poor and underserved areas, many communities impacted by globalization have acute needs: requiring large and fast-acting infusions of capital to

diversify and modernize in the wake of job losses and unemployment. In addition to reauthorizing the NMTC, I will create a new \$5 billion Insourcing Markets Tax Credit dedicated to communities impacted by global competition, trade and technological change. The Secretary of Treasury – in consultation with the Secretary of Labor and Commerce – will determine eligible trade-impacted communities, using relevant economic data and workforce data. Given the goals of modernization and economic diversification in these areas, Treasury will require the community development groups selected to solicit private IMTC investors to put particular emphasis on projects that bring in new industries and companies into these communities as well as create high-quality long term employment. Eligibility for IMTCs will also be expanded to Small Business Investment Corporations (SBICs) that have expertise in trade-impacted industries, such as manufacturing. SBICs have invested more than \$4.3 billion in small manufacturing companies during the past decade, even during a challenging time for the industry.

Foreclosures

I have been calling for action on the foreclosure crisis for more than a year. I believe that we need to take aggressive action to help families avoid foreclosure and keep communities throughout our country from spiraling into recession. Last month, announced a four-point plan to stem the tie of home foreclosures. My plan includes new action to help at-risk homeowners restructure their mortgages, the creation of an Emergency Working Group on Foreclosures that would investigate ways to broadly restructure at-risk mortgages, an easing in legal liability for mortgage servicers to help unfreeze the mortgage market, and an additional \$30 billion in stimulus to help states and localities fight foreclosures in their communities. I believe that my solutions is a sensible way for everyone – lenders, investors, mortgage companies, and borrowers – to share responsibility, keep families in their homes, and stabilize our communities and our economy. This four-point plan builds on proposals I have previously announced. In March 2007, I expressed concern about the growing problems in the subprime market, and I called for a “foreclosure timeout” and common-sense regulations to protect borrowers. In August 2007, I outlined a series of reforms to crack down on unscrupulous mortgage lenders and correct oversight failures in the mortgage industry. And in December 2007, I called for a foreclosure moratorium of at least 90 days on subprime owner-occupied homes and a freeze on the monthly rate on subprime adjustable rate mortgages for at least five years.

Real Support for Workers

I believe there is more the government can – and should – do to help those who have lost their jobs. I have put forth a plan to invest \$12.5 billion over five years to strengthen the nation’s workforce development efforts, so that every American is prepared for high-wage, high-skill jobs of the future. In addition to proposing to expand Trade Adjustment Assistance to cover service workers affected by global competition, I have proposed to provide funding so that all dislocated workers are eligible for a basic set of training, adjustment, and job search benefits regardless of whether their job loss was due to trade, outsourcing, technological change, or economic turndown. I have also proposed to provide a new Pell Grant benefit to displaced workers who enroll in training and education

programs to upgrade their skills. And I have proposed providing workers on-the-job training by investing \$200 million annually in a program to offer preemptive training assistance to workers and communities threatened by global competition, providing more flexible employer tuition benefit programs, and allowing workers to withdraw, penalty-free, from their 401(k)s for education and training on the job. In addition, I will invest in infrastructure, innovation, and alternative energy to create new jobs in the United States. For example, my energy plan will help the private sector create at least five million new “green collar” jobs over a decade in a variety of industries – including manufacturing, construction, research and development – to strengthen America’s middle class.

Work-family

I have put forth a plan to help working parents balance their work and family obligations. Today, parents work longer hours than ever before and more families are headed by two working parents. A 2002 report by the Families and Work Institute found that 45 percent of employees say that work and family responsibilities interfere with each other, and 67 percent of working parents say they do not have enough time with their children. My agenda to address these challenges includes:

- *Expanding access to leave for all families.* I will ensure that all states provide some form of family leave for all employees by 2016 and I will expand the Family and Medical Leave Act (FMLA) to cover employees in firms with 25 or more workers, which would cover 13 million additional workers. I will also provide seven sick days a year to all American workers that they can use to care for themselves or their children. And I will create a Family Leave Innovation Fund, initially investing \$1 billion annually, that will support state-level parental leave programs nationwide.
- *Promoting model workplaces in corporate America.* I will establish a new public-private partnership program on model workplaces at the Department of Labor that will highlight businesses with innovative workplace flexibility programs and provide grants to expand these models. I will promote telecommuting by encouraging its use at federal agencies and investing up to \$50 million annually in state and local initiatives.
- *Providing better access to higher quality child care.* I will increase child-care funding through the Child Care and Development Block Grant and work with Congress to reform the Dependent Care Tax Credit to address its shortcomings. I will also help states improve and enforce licensing and safety standards, support innovative public-private partnerships that increase the supply of affordable, high-quality child care for working families, support quality rating systems that help families evaluate programs, and support workforce initiatives that help child care providers get the right training.