

## HB 4142

Business and Labor Committee  
Office: 453; Phone: 503-986-1496

MEASURE: HB 4142  
EXHIBIT: 5  
2012 SESSION H BUSINESS & LABOR  
DATE: 2/8/12 PAGES: 8  
SUBMITTED BY: Daniel Bonham

Chris Garrett, Co-Chair  
Bill Kennemer, Co-Chair  
Margaret Doherty, Co-Vice Chair  
Sal Esquivel, Co-Vice Chair  
Jason Conger, Val Hoyle, Mark Johnson, Greg Matthews

Wednesday-February 8 Time: 3:00 P.M. Room: HR E

By Representatives ROBLAN, HOYLE; Representatives BAILEY, BUCKLEY, DEMBROW, FREDERICK, GARRETT, HOLVEY, KENNEMER, KOMP, KOTEK, MATTHEWS, READ, WITT (Pre-session filed.) -- Relating to preferences in public contracting for paper; declaring an emergency.

Testimony on HB4142 before the Business and Labor Committee 8 February 2012.

Chairman Garret, Chairman Kennemer, Members of the Committee:

My name is Daniel F. Bonham; I am the Secretary/Treasurer for the Oregon Fair Trade Campaign Board of Directors, a member of the United Brotherhood of Carpenters Local 156, a former skilled Carpenter, and now a Private Investigator currently by trade.

Written Testimony:

We all recognize, and most of us accept the fact that international trade is a vital and growing part of the Oregon economy. But "Free Trade" under the rules set by the WTO (World Trade Organization) through various NAFTA (North American Free Trade Agreement) like bi-lateral multi-lateral, trade agreements as-well-as "Most Favored Nation" status for some of Oregon's overseas competitors has had huge impacts the Oregon Economy. The question is these impacts favorable or unfavorable for Oregonians. (Please see attached article: "Study Reveals Record Trade-Related Job Loss in Oregon".)

Well, that depends on who you are. Studies coming from the USTR (U.S. Trade Representative) and the US Chamber of Commerce suggest that exports have grown and business profits are up. However TAA data shows that tens of thousands of "family-wage jobs" have been lost in Oregon alone. Both sets of data are accurate; but this the classic apple-oranges comparison. Corporate profits do not necessarily translate into good jobs. Some might say that there is a net gain of jobs... but if this were so why can't the USTR or the Chamber of Commerce produce firm data to

show job gains? And, if it were so, why is manufacturing employment at the lowest level in US and Oregon history.

These arguments about net job gains are so glib. They ignore the human impact. To them it is just the way the system works if thousands of bread-winners are thrown out of work and their lives thrown into turmoil. (Please see attached summary: "The Stories Project" that can be found at <http://www.citizenstrade.org/ctc/oregon/>)

Is "Free Trade" fair trade? No... because of lax or non-existent human-rights, labor, environmental, and land use laws and regulations in our foreign competitors, Oregon workers are playing on an un-even playing field. Such advantages pale in the face of Chinese currency manipulation, which means that the Chinese exporter to the US has a 28% advantage over a US exporter to China...

House Bill 4142 is a modest attempt to tilt the playing field back just a bit. It is not by any means a draconian measure. It boils down to what is - in effect - a request by paper mill workers and businesses to take back 10% of that 28% competitive disadvantage they have against foreign paper product suppliers. How many jobs will it save? ... hard to say, but even if it is just a few, haven't Oregon workers and families suffered enough? I urge you to pass HB 4142 to the House Floor with a recommendation to vote yes.

Verbal Testimony:

- We all recognize, and most of us accept the fact that international trade is a vital and growing part of the Oregon economy. But "Free Trade" under the rules set by the WTO has had huge impacts the Oregon Economy.
- The question is these impacts favorable or unfavorable for Oregonians?
- Well, that depends on who you are. Studies coming from the USTR and the US Chamber of Commerce suggest that exports have grown and business profits are up. However TAA data shows that tens of thousands of "family-wage jobs" have been lost in Oregon alone. Both sets of data are accurate; but this is the classic apple to oranges comparison...
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- These arguments about net job gains are so glib. They ignore the human impact. To them it is just the way the system works if thousands of bread-winners are thrown out of work and their lives thrown into turmoil.
- Is "Free Trade" fair trade? No... because of lax or non-existent human-rights, labor, environmental, and land use laws and regulations in our foreign competitors, Oregon workers are playing on an un-even playing field. Such advantages pale in the face of Chinese currency manipulation, which means that the Chinese exporter to the US has a 28% advantage over a US exporter to China...
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**Oregon Fair Trade Campaign**

*Fighting for Fair Trade Policy*

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**Study Reveals Record Trade-Related Job Loss in Oregon**

Posted on [June 29, 2010](#) by [CTC](#)

**For Immediate Release**

Tuesday, June 29, 2010

**NEW STUDY:**

**Trade-Related Job Loss a Significant Factor in Oregon's High Unemployment Rate**

*Labor Department Data Suggests More Than a Quarter of the Past Year's Job Losses Were Due to Trade Policies*

OREGON CITY, Ore. — Displaced workers, union leaders and fair trade advocates gathered outside the Blue Heron paper mill today to release a new analysis of U.S. Labor Department data indicating the significance of trade-related job loss in Oregon's high unemployment rate. Laid-off Blue Heron employees certified this month by the federal government for "Trade Adjustment Assistance" are among nearly 10,000 Oregonians who have lost jobs due to either direct offshoring or competition from imports over the past four quarters.

"The Labor Department certified more trade-related job losses in Oregon in 2009 than any other year on record, and the first quarter of this year didn't look much better," said Arthur Stamoulis, Director of the Oregon Fair Trade Campaign, which published the study. "Oregon's middle class just isn't safe so long as trade policies enable local jobs to be easily shipped overseas."

Among other things, the new study found that:

- Trade-related job loss accounted for a major portion of Oregon's overall job losses over the past year. Between March 2009 and March 2010, 9,955 Oregonians were certified by Labor Department as losing their jobs to trade. This number is 26.6% of the net 37,400 Oregon jobs lost over that time period.
- Trade-related job loss also accounts for a significant portion of Oregon's ongoing unemployment problem. The 46,959 total Oregon jobs certified as having been lost to trade during the "NAFTA era" of January 1994 to December 2009 are the equivalent of 2.95% of the state's current total employment — or 22.6% of the state's total unemployment. For technical reasons pertaining to the data pool, only a fraction of the Oregon jobs lost to direct offshoring or competition from imports are even counted in these figures.
- For a variety of reasons, 2009 was an unprecedented year for trade-related job losses certified by the Labor Department. The 9,457 Oregon workers certified as losing their jobs to trade in 2009 was 322% higher than the average number of workers certified each year between 1994 and 2009.

"This state is outright hemorrhaging jobs due to backwards trade policies enacted by Congress," said Gregory Pallesen, Vice President of the Association of Western Pulp & Paper Workers (AWPPW), the union representing workers at Blue Heron. "The only way we're going to stem the flow of jobs is if our elected officials get serious about trade policy reform."

The Trade Reform, Accountability, Development and Employment Act — or TRADE Act, for short — is comprehensive trade reform legislation currently pending in Congress. The TRADE Act would help level the playing field for local employers, by establishing strong new labor, environmental and consumer safety standards in future and existing trade agreements.

“Oregonians keeping losing jobs because Congress hasn’t seen fit to fix the broken trade policies that force companies like Blue Heron to compete with imports from countries with sweatshop working conditions and lax environmental rules,” said Stamoulis. “The best way to prevent more trade-related layoffs is for Congress to pass the TRADE Act.”

Data for the new study came from the U.S. Department of Labor’s Trade Adjustment Assistance (TAA) program. The TAA program provides workers whose jobs are certified by the Department as being lost due to trade — either through direct offshoring or displacement by imports — with extended unemployment and job retraining benefits.

Because someone must take the affirmative step of submitting a worksite for TAA certification, TAA data only offers a conservative estimate of the true number of jobs lost due to trade. Likewise, changes in eligibility for the TAA program that took effect mid-2009 suggests that previous years’ trade-related job losses were actually higher than the data set suggests. These eligibility requirements account in part for the comparatively high number of certifications in 2009, but the data suggests that the year would have been exceptionally high even under the old eligibility rules.

For more information, read the [full report online](#).

This entry was posted in [Oregon Jobs Lost](#). Bookmark the [permalink](#).

**Oregon Fair Trade Campaign**

*Fighting for Fair Trade Policy*

**The Stories Project**



74,500 Oregonians lost jobs due to NAFTA-style free trade agreements since 1994.

Now we're holding elected officials accountable for trade policies that eliminate and outsource Oregon jobs.

Read the Reports -

[“Livelihoods Traded Away”](#) and [“Faces of Free Trade and Job Loss”](#)

[Hear the Stories](#) – Audio Clips of Interviews

[Watch the Videos](#)- YouTube Compilations

[Take Action](#) – ORFTC Action Center

Laid-off workers, small business owners, grower, ranchers, and elected leaders – we bring our voices through the Stories Project. Speaking up is the first step to challenging NAFTA-style free trade policies

We work together for fair trade policies that reflect the values of our state.

HAVE A STORY YOU WANT TO SHARE? Contact us at [orftc@citizenstrade.org](mailto:orftc@citizenstrade.org) or call 503-736-9777



**Dave Philpott**

Vale, OR

**475 jobs lost due to CAFTA**

*Plant closure:*

*Amalgamated*

*Sugar Nyssa, OR*

*2005*

“If I had five

minutes with

Gordon Smith I

would ask him how

he thinks CAFTA

would be good

when so many jobs

are being lost. Is he

not aware of the

jobs that were lost?

Do they not

count?”

[\[Hear Dave's](#)

[Story\]](#)



**Cassie**

**Simms**

Hermiston, OR

**650 jobs lost**

**due to NAFTA**

*Plant Closure: JR*

*Simplot*

*Hermiston, OR*

*2004*

“I can't imagine

# The Hill

## Ignoring Chinese currency manipulation costs America jobs

By Rep. Sander Levin (D-Mich.) - 10/03/11 05:44 PM ET

In the 15 months since China announced that it would float its currency, the renminbi (RMB) has appreciated a paltry 6 percent against the U.S. dollar, well below what economists say it should. In fact, according to one reputable estimate, the RMB is still 28 percent below its true value.

The impact on America is clear. The currency manipulation by China costs at least 1 million American jobs, according to Fred Bergsten, director of the Peterson Institute for International Economics. Bergsten has said it “is by far the largest protectionist measure adopted by any country since the Second World War — and probably in all of history.” Nobel Prize winning economist Paul Krugman estimates that the cost of China’s action is closer to 1.5 million jobs.

As our manufacturers compete with Chinese companies to produce the products of the 21st century — from solar panels to battery cells — currency manipulation is one of the most egregious tools China is using to give its exporters an upper hand.

Yet in the face of compelling evidence for action, Republican leaders have offered no plans to bring up the Currency Reform for Fair Trade Act that I reintroduced this year together with Democratic Rep. Tim Ryan of Ohio and Republican Rep. Tim Murphy of Pennsylvania. The bill is designed to rein in China’s currency manipulation and has more than 200 co-sponsors. A virtually identical bill passed the House a year ago with support from the majorities of both parties.

What’s more, the Senate is preparing to act on legislation this week that includes the central components of the House bill.

Meanwhile, China continues to purchase U.S. Treasury bills in order to leverage its currency and maintain its low value. Combined, the practices artificially lower the cost of imported Chinese products and increase the cost of American exports to China.

The Currency Reform for Fair Trade Act (H.R. 639) would allow countervailing import duties for U.S. industries that are injured by the undervalued RMB. The Commerce Department, as a result of the legislation, would have the authority to impose import tariffs to offset the negative consequences of China’s undervalued currency. The bill reverses a current Commerce Department practice that has precluded it from treating foreign government currency practices as an export subsidy while also directing the department on how to measure subsidies provided to foreign producers through currency undervaluation.

Overall, the measure could help reduce our trade deficit by \$200 billion.

Our nation's workers and businesses deserve a level international playing field, and this measure provides concrete action to help make that a reality. With 14 million Americans still looking for work, it is far past time that Republican leaders took up legislation that has a history of bipartisan support and will help strengthen the hands of American workers and businesses.

There is no excuse for inaction. The specter of a "trade war" has been raised by opponents, as it is so often used against action. It masks the fact that there is economic competition — indeed, a battle — among nations and it is unwise to let the other nation refuse to abide by long-ago-developed international rules to help prevent trade wars, including rules against currency manipulation.

House Republican leaders argue that the focus should be on other Chinese practices, relating to lack of protection of intellectual property and technology transfer requirements. We should be pursuing action on all fronts — instead of playing one off against another — especially since there has been no legislative action by the House majority on any.

*Levin is the ranking member on the House Ways and Means Committee.*