

AFL-CIO

LEGISLATIVE ALERT

December 6, 2021

Dear Senator:

On behalf of the 12.5 million union members of the AFL-CIO, I write in support of H.R. 3975, the “Generalized System of Preferences and Miscellaneous Tariff Bill Modernization Act of 2021.” This bill would reauthorize and strengthen the Generalized System of Preferences (GSP) program. Importantly, the bill would be the first significant update of the labor eligibility criteria and enforcement process since 1984, when these standards were first included. As such, the bill would strengthen a critical tool to not only improve the lives of working people overseas but also here in the United States by raising the minimum standards around the globe.

The GSP program was designed to foster economic development in developing nations by offering duty free market access to the United States. However, to ensure that any economic gains from trade are shared broadly, the program also required beneficiary countries to meet basic eligibility criteria, including to “take steps to afford” internationally recognized worker rights. After 35 years, however, many countries continue to reap the benefits of GSP without having taken any meaningful steps on workers’ rights. As a result, the recently lapsed GSP program has failed both to raise standards for workers and to hold beneficiaries accountable for violating those rights.

H.R. 3975 would make additional essential improvements to the GSP labor criteria, including:

- Establishing a clear minimum compliance standard, rather than simply “taking steps” to afford labor rights, which is a weak and vague standard that has allowed countries with horrendous labor rights records to retain their benefits while making little or no sustained progress towards respecting workers’ rights. The House bill requires countries to “effectively afford” internationally recognized workers rights – a standard similar to that contained in the USMCA and other modern US trade deals – to enjoy benefits under the program;
- Adding new minimum standards prohibiting employment discrimination and violence against workers, including gender-based violence and harassment in the workplace. Violence against workers who exercise their rights is an extreme form of intimidation that chills workers’ rights, making it substantially harder for workers to organize unions and lowering labor standards across entire sectors or economies.¹ The inclusion of prohibitions on employment discrimination and gender-based violence and harassment in the workplace are long overdue. Over the past three decades, global standards and expectations on protection from discrimination and harassment in the workplace have evolved and the GSP program should reflect that progress;

¹ Unfortunately, violence against and murder of trade unionists occurs often at workplaces in countries around the world. See https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_en.pdf

- Adding specific language which clarifies that GSP recipients must take effective action against the use of threats and violence against trade unionists, which is an escalating problem in many parts of the world today; and
- Improving the petition process and establishing a maximum timeline for petition reviews to conclude, which will further incentivize compliance and help avoid reviews from languishing for several years without results.

While the Senate included GSP reauthorization as part of the United States Innovation and Competition Act of 2021 (USICA), its provisions could be strengthened to improve workers' fundamental labor rights. In addition, it applies outdated trade model language for prohibited acts to be "in a manner affecting trade or investment" and through "a sustained and recurring course of action or inaction" with regard to new environmental criteria. This is language the labor movement has long opposed in U.S. free trade agreements and trade policy.

Given the Administration's commitment to implementing a worker-centered trade policy, the AFL-CIO urges that reauthorization of the GSP program includes the strong labor criteria contained in H.R. 3975.

We thank you for your time and attention to this matter.

Sincerely,



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Director, Government Affairs

American Federation of Labor and Congress of Industrial Organizations

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