



IBEW POLICY BRIEF

Chapter 8: Manufacturing and Trade

Manufacturing Policy

As a union with a significant footprint in the North American manufacturing sector, the IBEW supports strong labor rights and enforcement provisions in manufacturing and trade policies. The highly diversified list of products manufactured by IBEW members includes batteries, semiconductors, transformers, control panels, electric motors and generators, wire and cable, electric switchboards, breakers, switchgear, and other advanced energy components like light fixtures and medical and X-ray equipment.

Policies that offshore domestic manufacturing to foreign, low-cost markets and create unfair international trade relationships harm IBEW members. The experience of the IBEW and the labor movement is that trade policy over the past several decades has been one of the most significant factors in the sharp decline of domestic manufacturing. In addition, policies that encourage union busting or make it more difficult for workers to unionize have also deeply impacted the manufacturing sector. As a result, the number of IBEW members working in the advanced manufacturing sector has dropped dramatically over the past 40 years from 400,000 to 30,000.

The Biden-Harris administration's Invest in America agenda has begun to reverse this decline in U.S. manufacturing and create a more level playing field for U.S. workers. The past several years of legislation and executive orders not only support the onshoring of U.S. jobs but also aim to ensure these jobs are high-quality union jobs. From EV batteries to solar panels to wind turbines to semiconductors, the electrification of America's economy means the IBEW is poised to regain market share in America's factories.

Pending Priorities on Manufacturing

Ensure Federal Investments in Manufacturing Include Labor Standards

Through enactment of recent major legislation, including the Inflation Reduction Act, Bipartisan Infrastructure Law, and CHIPS and Science Act, the Biden-Harris administration is investing hundreds of billions to jumpstart a revitalization of domestic manufacturing. Congressional supporters and the administration fought to tie these federal dollars to strong labor standards in the manufacturing sector that can create generational, family-sustaining union jobs but ultimately came up short. Moving forward, the IBEW seeks passage of legislation that requires federal investments in manufacturing to incentivize or require labor standards. The IBEW also requests that federal agencies providing manufacturers with grants, loans, tax credits, and other financial incentives encourage these companies to make commitments that put workers at the table and keep them there through long-term worker training and equity, job quality and worker protections, meaningful collaboration with unions, and use of union and domestic labor and content up and down the manufacturing supply chain.

Update the Walsh-Healey Act

Current law, known as the Walsh-Healey Public Contracts Act (PCA), establishes minimum “prevailing” wage, maximum hours, and safety and health standards for work on federal manufacturing contracts over \$15,000. Congress enacted Walsh-Healey to ensure that government contractors in manufacturing were not subjecting their workers to oppressive working conditions, and to root out child labor across the sector.

The law needs to be updated, however. Because of ambiguities in the law and a legal decision under *Wirtz v. Baldor Electric Co.*,⁴ the Department of Labor hasn't issued new wage determinations in decades. Since the 1960s, the Walsh-Healey Act's prevailing minimum wage has been the federal minimum wage as determined under the Fair Labor Standards Act (FLSA).

The reform of Walsh-Healey would create a more effective wage rate determination and enforcement process by setting a national “prevailing minimum wage.” A national wage standard in manufacturing would also counteract some of the harmful impacts of so-called “right-to-work” policies because it would erase a reason for manufacturers to move their operations to states with lower union density.

Pass the PRO Act

Discussed in-depth in Chapter 1, the Protecting the Right to Organize (PRO) Act's passage would be one of the best ways to protect manufacturing workers and ensure they have high-road employment and employment protections. The legislation:

- Adds penalties on employers for violating workers' rights
- Broadens the categories of workers protected under the National Labor Relations Act
- Protects collective action and removes barriers to workers having a voice
- Strengthens employee collective bargaining rights
- Modernizes the union election and enforcement process

⁴ For a discussion of the case, see, Congressional Research Service, “Federal Contract Labor Standards Statutes: An Overview,” December 2007, <https://crsreports.congress.gov/product/pdf/RL/RL32086/7>

Trade Policy

For the first time in decades, the United States is pursuing its own industrial and trade policy that factors in domestic workers. This is a shift from the recent agenda that prioritized the removal of tariffs and other so-called trade barriers. The resulting trade “liberalization” created a race to the bottom instead of a rising tide. Companies used the reduction in U.S. tariffs and the investment protections in free trade agreements and other global trade arrangements to move production to countries with weak or non-existent labor, environmental, health and safety, or human rights standards, and whose governments often offered generous subsidies. This allowed companies to juice profits while still selling to the same markets our factories used to supply, including in the U.S. The same pattern occurs within the U.S., as states that have passed right-to-work-for-less and other anti-union laws lure companies from other states with tax giveaways.

China has engaged in particularly aggressive, unfair, and even predatory trade and economic practices, and perpetrated labor and human rights violations that deeply undercut U.S. manufacturing. By heavily subsidizing a range of industries and repressing workers’ rights, China has been able to undermine U.S. producers and workers, leading to millions of lost jobs and tens of thousands of shuttered factories. One example is dumping, which is when China provides massive financial incentives to its solar industry facilities using forced labor to build solar panels and other components to flood the U.S. market with these parts.

Pending Priorities on Trade

No Trade Deals without Strong, Enforceable Labor Standards

For too long, the U.S. has negotiated trade deals, like NAFTA, CAFTA, and the U.S.-Korea Free Trade Agreement (KORUS), that leave workers behind. To begin to reverse this trend, the Biden-Harris administration signed major laws investing in domestic infrastructure and manufacturing like the IRA, BIL, and CHIPS Act, as discussed above. The IBEW supports a strong industrial and trade policy that promotes economic growth and broadly shared prosperity, maintains U.S. economic competitiveness, and – most importantly – protects U.S. workers.

The IBEW believes all future trade agreements should include strong labor standards – such as bans on forced labor and the right of workers to bargain collectively – with real enforcement mechanisms. For example, the US-Mexico-Canada (USMCA) agreement, while far from perfect, includes a process, known as the Facility-Specific Rapid Response Mechanism (RRM), that allows for inspections of factories and facilities that are not meeting obligations. Under the USMCA, governments can embargo goods from a facility if there is a credible allegation of certain labor rights violations at a specific facility. The USMCA also requires reforms of Mexican labor laws to, in theory, provide their workers with uncompromised labor protections. We are already seeing the impacts of this new labor rights tool, as investigations of bad actors are leading to company neutrality statements and collective bargaining agreements negotiated with independent trade unions.

Enforceable labor standards in free trade agreements support workers in other countries but also help level the playing field for U.S. workers, who should not have to compete in a race to the bottom on wages and working conditions. But these labor standards are not just good for workers; they also improve supply chain resilience and minimize supply chain disruptions, including lowering incentives for worker strikes and other work stoppages, and decreasing the risk of import restrictions on products made with forced labor.

Reauthorize TAA

Trade Adjustment Assistance (TAA) is a training and reemployment program that helps workers who lose their jobs due to foreign competition. TAA lapsed in July 2022 for new participants because Congress did not reauthorize it. However, workers already enrolled before the lapse can continue to receive benefits. The IBEW supports reauthorizing, fully funding, and modernizing TAA by expanding eligibility and benefits.

Close the De Minimis Loophole




Under a change made to U.S. law in 2016, companies may import goods valued under \$800 – known as the de minimis threshold – without paying duties, taxes, fees, or undergoing customs and border inspections. This is a massive increase from the previous limit of \$200 and well above most U.S. trading partners. Canada, for instance, has a de minimis threshold of \$40 and \$150, for tax and customs purposes respectively.

China can exploit this loophole by shipping millions of packages valued under \$800 into the U.S. daily without paying tariffs, tilting the playing field and hurting American manufacturing and retail workers. This exploitation also puts consumers at greater risk of dangerous or counterfeit goods that bypass safety inspections and allows the import of illicit goods like fentanyl.



The de minimis loophole also contributes to human rights abuses. Some of the most aggressive exploiters of this loophole are Chinese fast-fashion companies linked to slave labor who use de minimis to circumvent laws designed to prevent imports made with slave labor. IBEW has endorsed and continues to urge the passage of the bipartisan Import Security and Fairness Act authored by Reps. Blumenauer and Dunn and Sens. Brown and Rubio, to close this loophole and require more stringent screenings of goods from China.

Please contact the Government Affairs Department representative covering this policy area for updates.

Chapter Resources

Hyperlink	URL	QR
Manufacturing Resources:		
EV tax credit information released by the U.S. Department of the Treasury	https://home.treasury.gov/system/files/136/EV-Tax-Credit-FAQs.pdf	
Congressional Research Service's brief report EV Tax Credits	https://crsreports.congress.gov/product/pdf/I/N/IN11996	
Biden-Harris Administration Delivers on Made in America Commitments	https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/04/fact-sheet-biden-harris-administration-delivers-on-made-in-america-commitments/	

Chapter Resources

Hyperlink	URL	QR
Made in America Fact Sheet	https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/04/fact-sheet-biden-harris-administration-delivers-on-made-in-america-commitments/	
Made in America Office	https://www.whitehouse.gov/omb/management/made-in-america/	

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Manufacturing, Trade, & Immigration