

# TRANSPORTATION SERVICES & TISA

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From GATS to TISA: Global Trade in Service Forum

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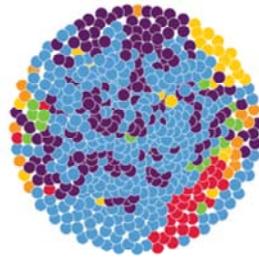
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## “Trade Advisory Committees”

These 566 individuals work with the Obama administration to establish trade policy.

All committee members



All of the blue and purple dots represent business interests. You can see there are almost no other dots. These represent individual members of the system of trade advisory committees. The work of the trade advisory committees is secret, not subject to the same regulations as most other federal advisory committees, and not subject to FOIA requests.

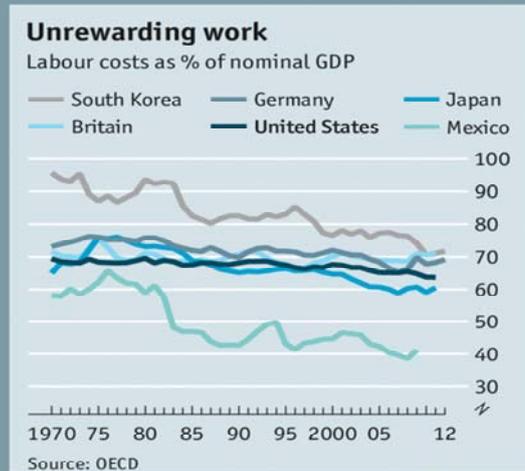
## “Trade Advisory Committees”



This chart actually understates the disparity of representation on the TACs. Look how tightly packed the blue circle is and how sparsely packed the red, yellow, orange, and green circles are packed.

But what is far worse than the numeric misrepresentation is the lack of balance in influence. The USTR has taken to bragging about how many hundreds of meetings its staff has taken with trade unionists or with Members of Congress. But as everyone here knows, access does not equal influence. It's great to have a meeting, but if our hard work, our research, our evidence, and our stories don't change USTR's positions, we are going to continue to be on the defense.

## Under Neoliberal Style Trade Deals



### Neoliberal Trade Deals:

- Contribute to income inequality and deregulation by increasing the power of capital at the expense of workers
- Make it easier for transnational corporations use workers against each other to game the system for lower wages & standards
- Are not really about creating decent work or raising standards of living – or there would be meaningful rules in them addressing these concepts



Under the GATS classification system, transportation covers many, many subsectors, some you might not even immediately consider intuitively, such as pipeline transport of fuels and other goods, cargo handling, storage and warehouse services, and space transportation, as well as the more obvious urban and interurban rail and road passenger transportation →

Given assumed subnational coverage and the lack of protections for public sector services offered on a commercial basis, this means that the transportation sector includes both drivers of privately owned intercity bus lines – like Greyhound in the United States—as well as the men and women of Amalgamated Transit Union Local 732, who drive buses public entities like the Metropolitan Atlanta Rapid Transit Authority in the state of Georgia.

## Economically Important

- Global Rail Transport , Including Freight & Passenger: US \$214 billion by 2016
- Global Freight Transport, Across All Types, US \$2,735 billion by 2017
- Global Air Transport, Including Freight & Passenger: US \$2,960 billion
- US Maritime: \$100 billion

In fact, the transport sector is so large, it is difficult to find exact measures of its total economic importance.

For example, the Worldwatch institute projects that will to grow to \$214 billion by 2016.

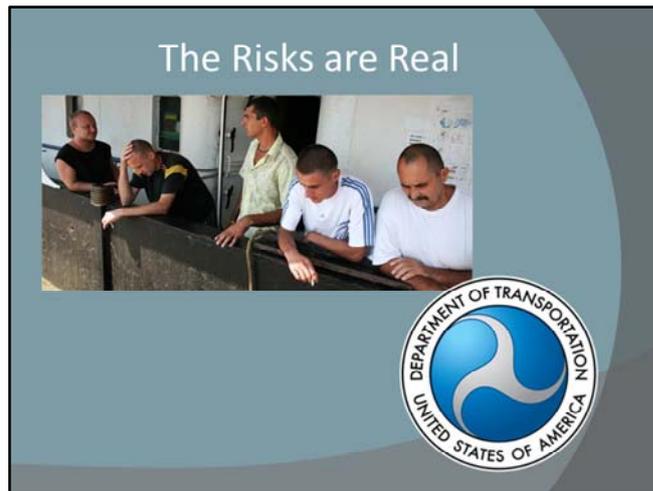
Global freight transportation across rail, maritime, road, and air is expected to reach an estimated US \$2,735 billion in 2017 according to Research and Markets.com.

And the Air Transport Action Group, an aviation industry association, estimated that air transport's – both passenger and freight -- global economic impact (direct, indirect, induced and catalytic) was US\$ 2,960 billion in 2005, equivalent to 8% of world Gross Domestic Product (GDP), generating 29 million jobs.

## What Can This Mean for Workers?

- ⦿ The commitments your country makes matter
- ⦿ Will the TISA protect Core Labor Rights?
- ⦿ What sectors will be covered?

Commitments matter and can put workers at greater risk of pressure to take pay cuts, accept weaker workplace standards & make it harder to exercise freedom of association and the right to collectively bargain. International transport sectors like air & maritime provide special opportunities to exploit workers.



One of the most alarming risks that seafarers face is the risk of abandonment. Employers often make a calculated decision to leave workers in a foreign port – any foreign port – if they are at risk of bankruptcy, insolvency or vessel seizure.

These abandoned crews they soon run out of food, water, and power. Often the ship owner stops answering his phone and disappears completely. When seafarers calling cards run out, they can't even contact their families anymore to seek help or report their status.

More than 1600 Seafarers were abandoned in this way between 2000 and 2010. What will the TISA do to stop this? Nothing that we know of. But if any government officials here in the room know more, I invite them to speak up during the comment period.

Another threat that could be exacerbated by the TISA – particularly depending on its treatment of air transport services – is the airline flag of convenience problem.

Right now, because the US does *not* commit air transport services in the GATS or in its FTAs, it can maintain more control over granting or rejecting foreign air carrier permits. At the moment, it is considering an application from Norwegian Air International, an subsidiary of Norwegian Air Shuttle that avoids Norwegian labor law because it registered as an Irish airline. NAI use pilots who are contracted from an Asian hiring company that employs them on short-term individual contracts on terms and conditions substantially inferior to those of the pilots employed by the parent company NAS.

The AFL-CIO's Transportation Trades Department and the European Cockpit Association oppose maneuvers like this because they undermine wages and working conditions for aviation industry workers everywhere, who will now feel downward pressure on wages & conditions to stay "competitive." These are reasons why the AFL-CIO fights so hard to keep air transport services in the hands of our Department of Transportation and out of trade agreements like the TISA. The DOT's process is public and transparent. The TISA negotiations are not.

## What About Privatization?

- ⦿ Because of the weak protection for public services,
- ⦿ The standstill and ratchet effects,
- ⦿ And the pressure to open up 90% of services trade, public or even formerly public transport services are at risk

Because of the weak protection for public services, the standstill and ratchet effects, and the pressure to open up 90% of services trade, public or even formerly public transport services are at risk.

This means everything from the local bus service in Lima Peru, which charges a fare and is therefore offered on a commercial basis, to toll roads, to partially privatized rail systems.



Since its privatization, safety has decreased, public subsidies are up, rolling stock is older on average than before, overcrowding has increased, and the UK has the most expensive rail fares in Europe. Average train fares in the UK increased at three times the rate of average wages between 2008 and 2012. So much for the neoliberal article of faith that the private sector always does things better.

Renationalizing the railways could save UK taxpayers £1.2 billion a year, according to a study commissioned by the RMT, the British Rail Union.

But the question is, will the UK ever be able to renationalize or reregulate without threats from trading partners due to commitments the EU makes in TISA? After all, the British Rail successor entities are already owned in large part by international investors, including the national rail systems of France, Germany, and the Netherlands, all of whom use their UK profits to lower fares for their passengers back home.

What similar transport sector privatization already has or will happen in your home country? Will you be able to reverse decisions that turn out to be disastrous?

## What About the Loss of Local Control?

**Public Services are just that: public. Governments have the right and the obligation to direct that service providers serve low-profit neighborhoods, for instance.**

**But will private providers fight such regulations as being too “trade restrictive”? There is so little guidance from GATS that we can’t feel secure.**

# TISA Commitments Matter to Transport Workers & Consumers!

The screenshot displays a web interface for viewing trade commitments. At the top, it identifies the country as 'United States of America' and the sector as '11 - TRANSPORT SERVICES'. Below this, there are navigation options for 'Group by Member' and 'Group by Sector', and radio buttons for 'Commitments' (selected) and 'MFN Exemptions'. A 'WTO Document' link is also visible. The main content area is a tree view of commitments, starting with 'United States of America' and '11 TRANSPORT SERVICES'. It lists sub-categories: '11.C Air Transport Services', '11.E Rail Transport Services', '11.F Road Transport Services', and '11.H Services auxiliary to all modes of transport'. Each sub-category has a brief description of the commitment.

- United States of America
  - 11 TRANSPORT SERVICES
    - 11.C Air Transport Services
      - C. AIR TRANSPORT SERVICES: Aircraft repair and maintenance. (Aircraft repair and maintenance activities, when undertaken on an aircraft or a part thereof, while it is withdrawn from service. Does not include line maintenance or other repair or maintenance activities undertaken by an air carrier (including its agents or contractors) on aircraft it owns, leases, or operates.)
    - 11.E Rail Transport Services
      - a) Passenger Transportation, excluding high speed rail
      - b) Freight Transportation
      - d) Maintenance and Repair of Rail Transport Equipment
    - 11.F Road Transport Services
      - a) Passenger transport: Interurban regular transport
      - b) Freight transport (Commitment limited to transportation of cargo that has either an origin or a destination outside the United States)
      - d) Maintenance and Repair of Road Transport Equipment
    - 11.H Services auxiliary to all modes of transport
      - d) Other Supporting and Auxiliary Transport Services: Customs House Brokers

Thank you!