

AFL-CIO Executive Council Statement
Washington, D.C.
July 9, 2020

COVID-19 EXPOSES THE FAILURE OF U.S. INDUSTRIAL POLICY

Working people are now facing the harsh realization that our elected leaders are failing us in this time of crisis. The Trump administration has not only delayed and botched America's response to the COVID-19 pandemic, but it also has failed to restore our industrial base. The inability of the United States to make the critical things we need here on our own soil constitutes a major threat to our country.

The United States, with the world's largest economy, was caught unprepared by the outbreak of COVID-19. Our government then failed to ramp up procurement and investment to produce and allocate the materials, equipment and supplies so desperately needed by so many. Even today, we lack the domestic capacity to supply adequate respiratory protection and other lifesaving personal protective equipment (PPE), ventilators and hospital bed frames, even to those in greatest need of them.

Critical shortages of PPE and medical supplies could have been avoided. Months went by when the administration did nothing. It barely used any of the available emergency tools and only paid lip service to the Defense Production Act (DPA). The federal government could have used its authority under the DPA to fund the production of respirators, gowns, and other necessary PPE and medical goods. This failure led to avoidable and often deadly consequences for first responders, health care professionals, transit workers, public sector employees, grocery workers, manufacturing workers, meatpacking workers and millions of other essential workers.

Multiple federal agencies have refused their duties to protect public and worker health, under the guidance and direction of the Trump administration and its appointees. The Occupational Safety and Health Administration has largely neglected enforcement of workplace standards during this pandemic, and the agency has refused to issue an emergency temporary standard that would make clear the obligations of employers to protect workers, including those essential workers most at risk of exposure to and infection with COVID-19. The Centers for Disease Control and Prevention has weakened its standards, under industry pressure and ignoring the precautionary principle and available scientific data, endangering front-line workers and the public. The Food and Drug Administration has continued to rush to issue emergency use authorizations for dangerous practices that have not been fully evaluated and for which there is data to indicate potential harm.

The Department of Transportation is creating fear and uncertainty by refusing to regulate safety and health protocols for front-line workers and airline passengers. As a result of this

inaction, the European Union is threatening to prohibit American travelers, effectively cutting us off from the rest of the world.

The Department of Homeland Security and the Federal Emergency Management Agency (FEMA), under the leadership of Acting Secretary Chad Wolf and Administrator Peter Gaynor, respectively, have failed in their duty to secure, prioritize and deliver adequate supplies of PPE to front-line workers. Instead of acting to ensure the safety of these workers, FEMA has established a tiered priority distribution system, based on a commercial rather than a humanitarian response, that has left many front-line workers at the back of the line. As a result PPE is erratically distributed, with states, localities and private entities being left to procure scarce supplies on their own, often at inflated prices. This lack of a clear and coordinated humanitarian response has resulted in workers exposed to COVID-19 being unnecessarily sickened and dying.

Inadequate supplies, together with the incompetence and negligence of the federal government, also led to price gouging and hoarding, and left state and local governments with no choice but to bypass the federal government to procure foreign-sourced materials—many that are not certified for use in the United States under normal conditions.

This disaster also has revealed a long-term failure in industrial policy and planning. The pandemic has exposed our dangerous dependence on foreign manufacturing and the alarming condition of our supply chains after decades of bad trade deals and outsourcing orchestrated by Wall Street. The corporate-driven model of globalization has not only risked the health of working families, but it also has increased inequality, reduced wages and undermined workers' rights in the United States and globally.

The atrophy of our manufacturing sector is ultimately the consequence of a globalized supply chain and a decadeslong pursuit of flawed free trade agreements at the expense of workers and communities. Corporate America, with the active encouragement of lawmakers at every level, decided it was more profitable to outsource production of protective equipment, medical supplies, medicines and other basic necessities to countries with low wages, substandard environmental regimes and low regulatory standards.

America needs to learn from this disaster and immediately change course. We cannot allow ourselves to be caught so flat-footed and so exposed ever again. Once this crisis fades from the headlines, we cannot let our elected leaders ever forget about the insufficiency of our domestic supply lines or ignore the talents, abilities and innovations of our workforce. The offshoring of manufacturing, services and food products can no longer be tolerated; our economy and our physical security are at stake.

We must ensure that we produce here at home the critical goods, respiratory and other protective equipment, parts, materials, medical supplies, medicines, therapies, and vaccines that America needs to fight not only the current pandemic, but also future pandemics.

We must ensure that our Strategic National Stockpile is expansive and that Buy American requirements are strong and enforced.

The labor movement calls for a dramatic investment in our domestic manufacturing capabilities, beginning with the rapid deployment of necessary personal protective and medical equipment and an accountability mechanism to ensure that basic medicines and PPE are domestically produced in adequate quantities for a country of about 330 million people.

The labor movement also will fight for automatic triggers of the Defense Production Act in the case of natural disasters, significant public health emergencies and other mass casualty events.

More fundamentally, the labor movement will continue to fight for a real national industrial and manufacturing strategy, like those of other major industrial powers. We must restore our industrial base.

As an important first step, we need a domestic manufacturing commission to ensure that our health and economic and national security interests are protected.

Congress must be a pivotal partner in this process, with special procedures that require up-or-down floor votes to achieve the goal of strengthening our domestic supply chains.

Samuel Gompers, the first president of the American Federation of Labor (AFL), said that the labor movement “has been accorded a place in the councils of our republic,” and we will use our community of power to ensure that we never repeat this failure. This begins with demanding an intelligent and innovative industrial and manufacturing policy.