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Penn United pushes for fairer trade

Free Market Coalition forms

By Dave Means
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After years of advocating for fair international trade rules, Penn United Technologies has formed its own organization to help the cause.

The new Free Market Coalition is comprised of officials from the employee-owned Jefferson Township manufacturer and other policy advisers, such as legislators and business leaders.


Dave Frengel

Bill Jones, president of Penn United, said while the organization formed out of Penn United, it will likely become a stand-alone nonprofit in the future.

The organization's mission is to work toward a free market economic system, to reduce big government, and to grow American business and manufacturing.

Jones explained that about $30 million to $35 million of Penn United's annual sales in recent years — about 30 percent of its total business — is from exports.

Most of those exports go to European countries, he said, but the company would increase its exports, and the countries to which it exports, if there were rules in place to level the playing field on a global scale and protect U.S. companies.

Dave Frengel, who works with the coalition and retired last year as director of government affairs at Penn United, said doing business internationally is similar to doing business domestically.

“We like getting contracts. We're not against business because we turn down a bad contract offer,” Frengel said.

“Just like there are good contracts and bad contracts, there are good trade agreements and bad ones, and we're against the bad ones. ... Just like bad contracts put us out of business, bad trade agreements put us out of business,” he said.

The coalition is working to influence the negotiations on two major trade agreements: the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership.

The Trans-Pacific Partnership is a proposed trade treaty with many of the countries that touch the Pacific Ocean. It encompasses Asia, North America and South America, which equates to about 40 percent of the global economy, Frengel said.

The Transatlantic Trade and Investment Partnership is a trade agreement between the U.S. and the European Union. It accounts for about another 40 percent of the global economy, Frengel said.

“If you get those wrong, you're going to live with that for a long time,” he said.

Trade agreements set rules on issues such as sanctions, subsidies, enforcement, environmental issues and labor issues. They also can create new international ruling bodies that override the sovereignty of the nations involved.

Frengel said the coalition is fighting to keep the U.S. from agreeing to unfavorable terms.

He said a number of countries manipulate their currency, use taxes and subsidize businesses to gain an unfair advantage and create a trade imbalance. Frengel said good trade policies should eliminate those practices.

One way the coalition is going about that is by watching how Congress allows the president to use trade promotion authority.

Often referred to as “fast track” trade authority, trade promotion authority promotes international trade by typically allowing the president to negotiate deals and then submit an agreement to Congress for a yes-or-no vote.

When Congress doesn't grant trade promotion authority to the president, it has full authority to regulate trade. However, Frengel said few deals have historically been achieved without trade promotion authority because Congress takes too long to agree.

President Barack Obama in January asked for trade authority during his State of the Union Address.

Frengel said the coalition supports trade promotion authority, but only if Congress is able to set key requirements that oppose unfair trade, allow negotiations to be done in the open and keep the U.S. from losing sovereignty to any foreign body.

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"We think a good trade agreement helps us do more," Frengel said. "But no trade agreement is better than a bad trade agreement."

Total exports

Here is the total value of all goods exported from the United States, Pennsylvania and the Pittsburgh Metropolitan Statistical Area, which is comprised of Pittsburgh and the seven counties surrounding it, from 2005 to 2013.

Year	U.S.	PA	PMSA
2013	$1.58 trillion	$41.2 billion	$10.4 billion
2012	$1.55 trillion	$38.9 billion	$14.1 billion
2011	$1.48 trillion	$41.1 billion	$15.2 billion
2010	$1.28 trillion	$34.9 billion	$12.2 billion
2009	$1.06 trillion	$28.4 billion	$8.3 billion
2008	$1.29 trillion	$34.7 billion	$11.3 billion
2007	$1.15 trillion	$29.2 billion	$9.8 billion
2006	$1.03 trillion	$26.4 billion	$8.3 billion
2005	$901.1 billion	$22.3 billion	$6.9 billion

SOURCE: International Trade Administration, U.S. Department of Commerce

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