

Congress of the United States
Washington, DC 20515

**Comments by Reps. DeLauro, DeFazio, Kaptur, Lee, Lipinski, Nolan, Pocan,
Ryan, Scott, and Tonko: Renegotiation of the North American Free Trade
Agreement (NAFTA)**

NAFTA Negotiations Docket USTR-2017-0006

June 12, 2017

Ambassador Robert E. Lighthizer
United States Trade Representative
Executive Office of the President

Ambassador Lighthizer,

We welcome the opportunity to share our priorities with respect to renegotiation of the North American Free Trade Agreement (NAFTA). Renegotiations of the deal present a unique opportunity to pursue fair trade that prioritizes working American families and fosters inclusive growth.

During the 2016 campaign, President Trump made numerous promises to stop NAFTA's ongoing damage to America's workforce, and to create jobs and increase wages among middle class and working families. Given the President's promises, it is critical to change both NAFTA's policies and the process by which NAFTA is renegotiated. Marginal adjustments around the edges of the Agreement will not suffice.

If NAFTA renegotiations are to yield an agreement that will receive broad support, an open and transparent negotiation process that includes direct collaboration with Members of Congress is essential. The existing corporate advisory system must be replaced with a public process to formulate positions and obtain public comment on draft and final U.S. proposals. To this end, negotiating texts must be made publicly available and public hearings must be convened. Should the Administration keep the same process that past administrations have used and prioritize coordination with the multinational corporate advisors that developed the original NAFTA and continued through the TPP negotiations, the new agreement will not be written to benefit working Americans.

Changes to NAFTA must improve the lives of working families and create dependable American jobs. That is why we insist on the elimination of the special industry privileges and job offshoring incentives that have made it easier for big corporations to offshore good paying American jobs. NAFTA's Chapter 11 makes it less risky and cheaper for U.S. firms to relocate offshore by guaranteeing privileged treatment for firms in Mexico and Canada and by providing for the enforcement of these new rights through the Investor-State Dispute Settlement (ISDS) mechanism. Instead of the U.S. court system, extra-judicial tribunals comprised of corporate lawyers hear these claims. ISDS must be eliminated from NAFTA, as should other provisions

that encourage offshoring, threaten our sovereignty, or undermine public health or the environment.

Further, NAFTA rules that require the U.S. to waive 'Buy American' and buy local procurement preferences must be eliminated. The American government should be free to obligate tax dollars for procurement that reinvests in domestic jobs, growth, and innovation. Majorities of Americans want their tax dollars to be reinvested in job creation and innovation here.

A renegotiated agreement must put the U.S. on a clear path to close our trade deficits. U.S. manufacturing imports from Mexico and Canada have grown exponentially while growth of the U.S. manufacturing and services exports have stalled. Notably, this requires changes to NAFTA's agricultural terms and a focus on new rules that benefit farmers and not agribusiness trading and processing firms. NAFTA has left many American farmers behind with devastating debt-to-income ratios and has done considerable damage to rural communities.

To ensure that foreign firms do not undermine American food safety and public health standards, NAFTA renegotiation must require imported products and foreign service providers to meet U.S. safety standards. Without this, firms operating in America that follow the rules will continue to be placed at an unfair disadvantage.

Today, too many Americans struggling to make ends meet are burdened by the costs of life saving treatments. Accordingly, NAFTA renegotiations should not be used to undermine access to affordable medicines by extending corporate-driven monopolies on intellectual property for drugs.

Additionally, renegotiations can provide a starting point for the U.S. to enact long overdue, enforceable disciplines against currency manipulation, an issue the president promised the American people he would confront early in his presidency. Standards must include strict, enforceable disciplines to fight against currency manipulation.

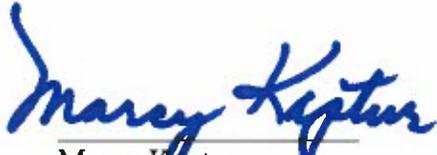
A modern NAFTA that promotes competitive advantage must include high labor and environmental standards. Unless included as a core standard of a new agreement, American firms will continue to seek Mexico as a source for cheap labor and cheap imports will continue to flood American markets. Enacting a new agreement without these labor and environmental practices in Mexico would continue to put American companies at a disadvantage and would result in more U.S. job loss. The U.S. must remain committed to a NAFTA that respects workers' rights and protects the environment and health and safety here at home and abroad. This includes ensuring wages rises across the continent to promote competition and prevent producers, specifically in Mexico, avoiding costs by dumping toxins and other environmentally damaging practices.

Among our chief responsibilities as lawmakers is to ensure the American economy is inclusive and does not leave American families behind. We invite you to work closely with Members of Congress throughout the negotiation process and to consult our offices often. We look forward to working with you to deliver an agreement that delivers results and opportunity for the American people.

Sincerely,


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Member of Congress


Peter A. DeFazio
Member of Congress


Marcy Kaptur
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