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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

# H. RES.

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Calling on the President to initiate renegotiation of the North American Free Trade Agreement (NAFTA) and further calling on the President to consider withdrawing the United States from NAFTA if the renegotiations are not satisfactorily completed within one year.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. DEFAZIO submitted the following resolution; which was referred to the Committee on \_\_\_\_\_

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# RESOLUTION

Calling on the President to initiate renegotiation of the North American Free Trade Agreement (NAFTA) and further calling on the President to consider withdrawing the United States from NAFTA if the renegotiations are not satisfactorily completed within one year.

Whereas it was predicted that the North American Free Trade Agreement (NAFTA) would create a trade surplus for the United States of between \$9,000,000,000 to \$12,000,000,000 and create 170,000 jobs per year in its first 5 years, but instead NAFTA has resulted in more than two decades of growing trade deficits with Mexico and Canada and massive manufacturing job losses;

Whereas according to the Economic Policy Institute, by 2013 the NAFTA trade deficit had already equated to an estimated net loss of roughly 850,000 United States jobs;

Whereas in 2016 the United States trade deficit with other NAFTA countries was \$172,995,603;

Whereas more than 865,000 United States workers have been certified by the United States Government through the Trade Adjustment Assistance Program as having lost their jobs to offshoring and trade with other NAFTA countries;

Whereas the nearly 65 percent of American workers that do not have college degrees have been hardest hit by NAFTA job losses and wage cuts, negatively impacting entire communities;

Whereas according to the U.S. Bureau of Labor Statistics, two out of every five displaced manufacturing workers who were rehired in 2016 experienced a wage reduction and one out of every four displaced manufacturing workers took a pay cut of greater than 20 percent, meaning the average manufacturing worker earning more than \$38,000 per year suffered an annual wage loss of at least \$7,700;

Whereas as manufacturing workers have lost their jobs to NAFTA, they have joined the glut of United States workers seeking service sector jobs so that wages in these sectors have also been pushed downwards and income inequality has been exacerbated;

Whereas NAFTA has benefitted large agribusiness corporations over family farmers in all three nations, failing to address the very real problems of price volatility for pro-

ducers and consumers alike, while damaging livelihoods in rural communities at home and abroad;

Whereas by failing to condition trade benefits on countries enforcing strong labor and environmental standards, NAFTA incentivized corporations' offshoring of jobs and exploiting of workers across North America in a race to the bottom, and firms that remained in the United States faced unfair competition from imports subsidized through social dumping;

Whereas NAFTA's labor and environmental terms were included in unenforceable side agreements, but even more recent agreements' labor and environmental terms included in core texts have also failed to change actual practice because they have not been sufficiently enforced;

Whereas NAFTA was also the first United States trade agreement to include special privileges for investors and the Investor-State Dispute Settlement (ISDS) process that make it less risky for employers to relocate jobs offshore, while simultaneously threatening democratic policymaking at home and abroad;

Whereas corporations have used NAFTA's ISDS process to challenge bans on toxic chemicals, the decisions of environmental review panels, court rulings that support access to affordable medicines, and protections for the climate, and corporations have extracted more than \$370,000,000 from governments in NAFTA ISDS cases, while pending NAFTA claims total more than \$50,000,000,000;

Whereas NAFTA was negotiated in an opaque process in which corporations were granted undue influence while

the United States public was prevented from providing input; and

Whereas President Donald Trump campaigned on the promise of initiating negotiations for a NAFTA replacement agreement within the first 100 days of taking office, and pledged to withdraw the United States from NAFTA if he could not make it “much better” for working people: Now, therefore, be it

1       *Resolved*, That it is the sense of the House of Representatives that—

2               (1) the North American Free Trade Agreement  
3               (NAFTA) should be replaced with a new trade  
4               agreement that—

5                       (A) includes strong, binding, and enforce-  
6                       able labor and environmental standards in the  
7                       agreement’s core text with requirements that  
8                       are enforced;

9                       (B) creates a fair playing field by requiring  
10                      that the agreement will take effect only upon  
11                      each participating country adopting, maintain-  
12                      ing, implementing, and enforcing domestic laws  
13                      that provide the labor rights and protections  
14                      that are included in the International Labor  
15                      Organization’s Core Conventions and policies  
16                      that fulfill the Paris climate agreement and  
17                      other core multilateral environmental agree-  
18                      ments;

1 (C) ensures these commitments are en-  
2 forceable through an independent dispute settle-  
3 ment process and subject to the same sanctions  
4 used to enforce the commercial provisions of  
5 NAFTA;

6 (D) ensures market access is conditioned  
7 on confirmation that labor and environmental  
8 commitments are enforced, which means there  
9 is sustained evidence that conditions on the  
10 ground have improved and an assurance trade  
11 benefits will be withdrawn if conditions on the  
12 ground deteriorate; and

13 (E) includes provisions to tax imported  
14 products that are made under highly climate-  
15 polluting conditions;

16 (2) such a new trade agreement—

17 (A) should guard against employer-domi-  
18 nated unions by requiring that each partici-  
19 pating country have laws in place that—

20 (i) require unions to provide members  
21 with timely access to union bylaws and to  
22 collective bargaining agreements and ten-  
23 tative collective bargaining agreements  
24 prior to ratification votes;

1                   (ii) require collective bargaining  
2                   agreements to be ratified by a free and se-  
3                   cret ballot vote of the workers covered  
4                   under the collective bargaining agreement;  
5                   and

6                   (iii) require management to permit  
7                   union representation in investigatory inter-  
8                   views;

9                   (B) should not include protections for for-  
10                  eign investors, including an Investor-State Dis-  
11                  pute Settlement (ISDS) process, so to avoid ex-  
12                  posure of the United States Government and  
13                  taxpayers to financial losses, threats to United  
14                  States and other parties' laws and sovereignty,  
15                  the undermining of environmental and health  
16                  protections in extra-judicial tribunals, or new  
17                  incentives to offshore jobs;

18                  (C) should not include provisions that un-  
19                  dermine Buy America, Buy Local, or any other  
20                  domestic procurement preferences or labor, en-  
21                  vironmental, or other standards for procure-  
22                  ment contracts;

23                  (D) should require all imported products  
24                  and services and foreign service sector compa-  
25                  nies operating in the United States to comply

1 with United States environmental, land use,  
2 safety, privacy, transparency, professional quali-  
3 fication, and consumer access laws;

4 (E) should not include any provisions simi-  
5 lar to NAFTA’s “Chapter Nineteen: Review  
6 and Dispute Settlement in Antidumping and  
7 Countervailing Duty Matters” or any extra-ju-  
8 dicial review tribunal empowered to invalidate  
9 the decisions of the United States Government  
10 or judicial courts relating to anti-dumping, sub-  
11 sidies, or countervailing duties;

12 (F) should include binding rules that will  
13 prevent foreign governments from using cur-  
14 rency manipulation to undercut United States  
15 exports or subsidize their exports meaning  
16 strong, binding, and enforceable disciplines  
17 against currency manipulation that trigger  
18 automatic corrective action against currency  
19 manipulators, rather than simply triggering re-  
20 ports or dialogue must be included in a replace-  
21 ment trade agreements’ core text;

22 (G) should strengthen NAFTA’s “rules of  
23 origin”—

24 (i) by raising the auto rule of origin  
25 to require that 90 percent of a product’s

1 value is legitimately sourced from a coun-  
2 try that is party to the trade agreement  
3 for the product to qualify for benefits  
4 under the agreement; and

5 (ii) rules to eliminate transshipment  
6 and other loopholes;

7 (H) should include rules that require im-  
8 ported food and products to meet United States  
9 standards for safety, inspection, and labeling  
10 requirements, including country-of-origin label-  
11 ing requirements;

12 (I) should not include intellectual property  
13 provisions or other provisions that drive up the  
14 cost of medicines, and should not include provi-  
15 sions that would go beyond the existing World  
16 Trade Organization's Agreement on Trade-Related  
17 Aspects of Intellectual Property Rights  
18 (TRIPS), which is already in effect in all  
19 NAFTA member countries;

20 (J) should include a broad "carve-out" to  
21 safeguard non-discriminatory domestic public  
22 interest policies from attack under any of the  
23 agreement's rules;

24 (K) should not require access to United  
25 States roads for commercial vehicles domiciled

1 in other countries and should require all foreign  
2 service providers' vehicles and drivers entering  
3 the United States to meet all United States  
4 highway safety and environmental standards be-  
5 fore being granted access to and use of United  
6 States distribution and transportation systems;  
7 and

8 (L) should safeguard each country's energy  
9 independence and autonomy over environmental  
10 policy by excluding terms such as those con-  
11 tained in NAFTA's energy chapter, which re-  
12 quire countries to maintain proportionate  
13 shares of energy exports even at times of do-  
14 mestic shortage or planned production reduc-  
15 tion while enabling challenges to widely-used cli-  
16 mate policies;

17 (3) negotiations for such a new trade agreement  
18 should take place in a transparent, participatory,  
19 and democratic manner, ensuring adequate congres-  
20 sional and stakeholder input throughout the process;

21 (4) the President should initiate renegotiation  
22 of NAFTA not later than June 1, 2017;

23 (5) the President should ensure each and every  
24 one of the provisions described in paragraphs (1)  
25 and (2) is included in the core text of such a new

1 trade agreement with Canada and Mexico that is to  
2 replace NAFTA before finalizing the agreement; and  
3 (6) if each and every one of the provisions de-  
4 scribed in paragraphs (1) and (2) is not included in  
5 the core text of such a new trade agreement with  
6 Canada and Mexico that is to replace NAFTA with-  
7 in one year of the beginning of renegotiation of  
8 NAFTA, the President should consider withdrawing  
9 the United States from NAFTA as provided for in  
10 Article 2205 of NAFTA.