115TH CONGRESS  
1ST SESSION  

H. RES.  

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.

IN THE HOUSE OF REPRESENTATIVES

Mr. DeFazio submitted the following resolution; which was referred to the Committee on ______________________

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

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

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

   (A) includes strong, binding, and enforceable labor and environmental standards in the agreement’s core text with requirements that are enforced;

   (B) creates a fair playing field by requiring that the agreement will take effect only upon each participating country adopting, maintaining, implementing, and enforcing domestic laws that provide the labor rights and protections that are included in the International Labor Organization’s Core Conventions and policies that fulfill the Paris climate agreement and other core multilateral environmental agreements;
(C) ensures these commitments are enforceable through an independent dispute settlement process and subject to the same sanctions used to enforce the commercial provisions of NAFTA;

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means there is sustained evidence that conditions on the ground have improved and an assurance trade benefits will be withdrawn if conditions on the ground deteriorate; and

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

(2) such a new trade agreement—

(A) should guard against employer-dominated unions by requiring that each participating country have laws in place that—

(i) require unions to provide members with timely access to union bylaws and to collective bargaining agreements and tentative collective bargaining agreements prior to ratification votes;
(ii) require collective bargaining agreements to be ratified by a free and secret ballot vote of the workers covered under the collective bargaining agreement; and

(iii) require management to permit union representation in investigatory interviews;

(B) should not include protections for foreign investors, including an Investor-State Dispute Settlement (ISDS) process, so to avoid exposure of the United States Government and taxpayers to financial losses, threats to United States and other parties’ laws and sovereignty, the undermining of environmental and health protections in extra-judicial tribunals, or new incentives to offshore jobs;

(C) should not include provisions that undermine Buy America, Buy Local, or any other domestic procurement preferences or labor, environmental, or other standards for procurement contracts;

(D) should require all imported products and services and foreign service sector companies operating in the United States to comply
with United States environmental, land use, safety, privacy, transparency, professional qualification, and consumer access laws;

(E) should not include any provisions similar to NAFTA’s “Chapter Nineteen: Review and Dispute Settlement in Antidumping and Countervailing Duty Matters” or any extra-judicial review tribunal empowered to invalidate the decisions of the United States Government or judicial courts relating to anti-dumping, subsidies, or countervailing duties;

(F) should include binding rules that will prevent foreign governments from using currency manipulation to undercut United States exports or subsidize their exports meaning strong, binding, and enforceable disciplines against currency manipulation that trigger automatic corrective action against currency manipulators, rather than simply triggering reports or dialogue must be included in a replacement trade agreements’ core text;

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

(i) by raising the auto rule of origin to require that 90 percent of a product’s
value is legitimately sourced from a country that is party to the trade agreement for the product to qualify for benefits under the agreement; and

(ii) rules to eliminate transshipment and other loopholes;

(H) should include rules that require imported food and products to meet United States standards for safety, inspection, and labeling requirements, including country-of-origin labeling requirements;

(I) should not include intellectual property provisions or other provisions that drive up the cost of medicines, and should not include provisions that would go beyond the existing World Trade Organization’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which is already in effect in all NAFTA member countries;

(J) should include a broad “carve-out” to safeguard non-discriminatory domestic public interest policies from attack under any of the agreement’s rules;

(K) should not require access to United States roads for commercial vehicles domiciled
in other countries and should require all foreign
service providers’ vehicles and drivers entering
the United States to meet all United States
highway safety and environmental standards be-
fore being granted access to and use of United
States distribution and transportation systems;
and

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

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

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

(5) the President should ensure each and every
one of the provisions described in paragraphs (1)
and (2) is included in the core text of such a new
trade agreement with Canada and Mexico that is to replace NAFTA before finalizing the agreement; and

(6) if each and every one of the provisions described in paragraphs (1) and (2) is not included in the core text of such a new trade agreement with Canada and Mexico that is to replace NAFTA within one year of the beginning of renegotiation of NAFTA, the President should consider withdrawing the United States from NAFTA as provided for in Article 2205 of NAFTA.