

December 5, 2017

Dear Members of Congress,

We are faith-based organizations and religious bodies with constituencies in the United States, and close partners and mission representatives serving in many regions around the world. We write to you today with our vision for a fair, humane, and just North American Free Trade Agreement (NAFTA) renegotiation. As negotiations continue between all three countries, we urge you to judge any renegotiated NAFTA by its inclusion of the principles below.

Based on the experiences and witness of our mission partners, including religious and lay leaders, we see how these agreements disproportionately benefit a small number of individuals, governments, and corporations while leaving the majority of people on the margins. Such agreements favor the interests of transnational corporations above the quality of life of working people and other vulnerable populations, such as women, children and indigenous communities throughout North America. As a result, these agreements drive migration and exacerbate poverty and hunger by making it difficult to access dignified employment and essential services, such as clean water, adequate housing, nutritious food, education and basic health care.

**We believe that this economic model does not reflect the shared values held by our traditions of solidarity, justice, dignity and respect for all.** Trade agreements must be crafted and evaluated with regard to the effects they have on the vulnerable and all of God's Creation. We share a vision and understanding that trade and development can help lift communities out of poverty when done right. However, we have witnessed far too often how trade agreements such as NAFTA, have failed to contribute positively to the economy or society, and indeed in some instances done irreparable damage.

When NAFTA passed almost a quarter of a century ago, proponents promised it would lead to job creation in North America, increased living standards for workers and protection of the environment. It is clear today that this agreement has instead been a driver of inequality, both domestically and abroad. The past 20 years of NAFTA have caused significant job losses in key sectors of the U.S. economy, the displacement of Mexican farmers, increased pollution and environmental degradation, and poor conditions for workers in the industries that relocated to Mexico after the agreement went into force.

Some of the most adversely impacted communities are small farmers in the U.S., Mexico, and Canada. In Mexico, for example, we have seen population losses in the countryside and increased food insecurity. In the U.S. and Canada, there are fewer smallholder farmers left to work the land as industrial agriculture takes over production. Furthermore, the shift to large-scale industrial agriculture made it difficult for farmers to practice traditional seed saving customs and indebted farmers, making it difficult for them to compete. The importation of cheap, subsidized corn from the United States undercut the local corn market in Mexico grown by small farmers. Rural dislocation has been a leading cause of migration to Mexican cities, and ultimately to the United States as small farmers discover they cannot support themselves at home.

As faith-based organizations, we believe the global economy should serve the poor and vulnerable, with care and respect for all of creation. **The renegotiation of NAFTA must be used as an opportunity to align our trade policies with these values.**

As we already see with the ongoing negotiations, the process continues to be opaque with little input from affected stakeholders. Therefore, we urge you to hold the administration accountable to a fair, just, and humane framework for renegotiation. Informed by this framework, we believe any renegotiated agreement must reflect the following commitments:

### **Eliminate Investor-State Dispute Settlement (ISDS)**

One of the most controversial elements of NAFTA, and most trade agreements since then, are provisions granting corporations the ability to sue foreign governments over their domestic laws. These lawsuits, held in opaque courts before a panel of three corporate lawyers, undermine the ability of governments to develop and enforce regulations in the best interest of their citizens. Recent examples include the \$15 billion ISDS claim under NAFTA brought by Canadian energy company TransCanada when President Obama denied the permit for the Keystone XL pipeline. TransCanada withdrew the case only after President Trump reversed the decision, approved the pipeline permit, and exempted the company from his executive order to use U.S. steel for the pipeline construction.

These provisions put the power squarely in the hands of profit-driven corporations instead of affected communities. NAFTA negotiators should remove such provisions, and allow cases to be litigated in national courts or through state-state processes that are transparent and have an appeals process.

While rules that benefit multinational corporations are written using “shall” and “must,” rules to protect labor, public safety and the environment use words like “may” and “can” or at most, “should.”

*Investment treaties should not be used to undermine a nation’s ability to enforce laws that protect the common good such as health, worker safety, environmental protections, or human rights.*

### **Ensure just labor practices**

Trade rules should enhance workers’ rights in the U.S. and abroad, and promote similar practices globally by supporting stable jobs with decent wages, protecting workers’ freedom to organize, and promoting worker health and safety. Strong and clear labor standards with swift and certain enforcement tools, should be requisite in any trade agreement. By improving standards abroad, it will also benefit workers in the United States, making it more difficult for corporations seeking lower standards and wages to outsource jobs abroad.

The labor standards included in existing trade agreements do not go far enough to protect workers. The most recent decision on a trade dispute brought by the United States against Guatemala for labor violations illustrates that these standards do not get to the heart of the problem. The arbitral panel ruled in favor of Guatemala, in large part because the panel determined that the United States had not shown that Guatemala’s failure to effectively enforce its laws was not ‘in a manner affecting trade’.

*Labor disputes should not be measured on whether or not they interrupt trade but rather whether or not they violate human rights and dignity.*

NAFTA should ensure that workers across all three NAFTA countries are free to join unions and negotiate with their employers, in accordance with internationally-agreed worker standards, including those of the ILO, as proposed recently by the Canadian government.

### **Be faithful stewards of God’s earth and uphold environmental protections**

Our faith traditions call us to protect God’s creation. We witness how climate change disproportionately falls hardest on the poorest residents, especially in developing countries and small island nations. As the recent slew of severe weather incidents illustrate, the consequences of climate change are becoming more destructive and frequent. We cannot afford to implement trade agreements that will continue to contribute to climate change and its disastrous effects.

Any renegotiated NAFTA must include strong, binding, and enforceable environmental standards in addition to a commitment to curb climate change. The agreement must prioritize long-term ecological sustainability. Examples of such standards include “carve outs” for climate policies, such as the Paris Agreement (exempting climate laws from being challenged by corporations) to imposing climate duties on goods whose production has high carbon emissions.

Additionally, NAFTA's original energy chapter required that Canada and the U.S. must maintain the same amount of energy exports, including oil and coal, to each other every year. This prevents either country from reducing their fossil fuel energy production, which is essential to curbing climate change. Mexico did not sign this aspect of the agreement originally because their energy sector was still nationalized. In 2013, Mexico opened up their energy sector, leaving the door open that they too could adopt this provision and further lock North America into producing unnecessary quantities of fossil fuels. We believe a renegotiated NAFTA must strip out this 'energy proportionality' rule.

### **Ensure access to affordable medicines**

Our faith traditions call us to care for and heal the sick. The prioritization of pharmaceutical corporations over patients through monopoly protections in trade agreements can put life-saving drugs out of reach for many. NAFTA rules related to intellectual property have made access to such medicines, especially in low-income communities, more difficult.

To increase access to affordable medicines, existing NAFTA monopoly protections that go beyond the terms of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which is already in effect in all NAFTA member countries, should be eliminated. No new measures that would go beyond the TRIPS Agreement should be added. Instead, public health protections should be included that enable the United States and other countries to promote the human right to health and ensure access to medicine for all.

### **Promote fair and sustainable agricultural systems**

NAFTA's current agriculture rules reinforce a corporate model of large-scale, monocrop agriculture plantations heavily dependent on fossil fuels and toxic chemicals. This model undermines the ability of smallholder farmers throughout North America to afford and access land and livelihoods and contribute to hunger and food insecurity. These rules should instead favor food sovereignty (people's right to healthy and culturally appropriate food produced through ecologically sound and sustainable methods using local inputs; and their right to define their own food and agriculture systems).

This should include changes in NAFTA to exclude corn and other basic grains from trade liberalization; establish transparent and democratic mechanisms to address dumping (sales of goods below the cost of production); and promote people's right to know about what is in their food and how and where it is produced. Rules on intellectual property rights that prevent farmers from saving and sharing protected seeds should be removed from the agreement. Proposals from the TPP to speed up rules on approval of agricultural biotechnology products in ways that bypass national efforts to assess their safety, effectiveness and impacts on workers, rural communities and ecosystems should be rejected.

As Pope Francis said in his apostolic letter, *Joy of the Gospel*, "The need to resolve the structural causes of poverty cannot be delayed... The dignity of each person and the pursuit of the common good are concerns which ought to shape all economic policies" (202-203).

**The renegotiation of NAFTA is an opportunity to ensure our trade agreements reflect the needs of the most vulnerable. Trade policy must address issues of inequality, the alleviation of poverty, and the protection of the planet. At its core, the goal of U.S. trade policy should be to promote sustainable development and livelihoods through environmental, economic and social well-being that mutually benefits all members of society. We urge you to ensure these standards are upheld and that the agreement is improved for the betterment of all.**

Sincerely,

American Friends Service Committee

Columban Center for Advocacy and Outreach

Congregation of Our Lady of Charity of the Good Shepherd, US Provinces

Franciscan Action Network

Holy Cross International Justice Office

Maryknoll Office for Global Concerns

National Advocacy Center of the Sisters of the Good Shepherd

NETWORK Lobby for Catholic Social Justice

Pax Christi International

Pax Christi USA

People of Faith for Access to Medicines

Presbyterian Church (U.S.A.)

Sisters of the Holy Cross Justice Committee

Sisters of Mercy's Institute Justice Team

United Church of Christ, Justice and Witness Ministries

United Methodist Church, General Board of Church and Society