

<u>For Immediate Release</u>: Feb. 2, 2017

## Contact: Matt Groch (202) 454-5111 mgroch@citizen.org

## Trump Missed Deadline for Promised Start of NAFTA Renegotiation in 100 Days, But Whenever Talks Begin, It Is the Content, Not The Speed, That Counts

## Statement of Lori Wallach, Director, Public Citizen's Global Trade Watch

The Trump administration can rename NAFTA the North American Free and Most Fairest of Them All Trade Agreement, but given that NAFTA is packed with incentives to offshore jobs and special protectionist goodies for various industries, NAFTA must be replaced – not tweaked – to actually deliver better outcomes for working people.

Monthly government data will show whether a NAFTA replacement delivers on the trade deficit reduction and job creation Trump has promised and to move those numbers will require a new deal that raises Mexican wage levels and environmental standards and eliminates NAFTA's job and investment offshoring incentives and ban on Buy American procurement.

Replacing NAFTA is important, but with China counting for half of the U.S. trade deficit, it is odd that Trump has not announced an end to negotiations <u>almost completed</u> by the Obama administration for a U.S.-China bilateral agreement that includes the job offshoring incentives at the heart of NAFTA or declared China a currency manipulator on his first day <u>as promised</u>.

It's ironic that Trump is the beneficiary of the "Fast Track" trade authority narrowly enacted by congressional supporters of NAFTA. By delegating away its constitution trade authority, Congress has empowered Trump to unilaterally launch NAFTA renegotiations or create new bilateral deals with Mexico and Canada; determine the contents, sign and enter into deals before Congress gets a vote; and then write implementing legislation and force congressional consideration in 90 days with amendments forbidden and Senate supermajority rules suspended.

Under the Fast Track <u>rules</u>, Trump needed to have given notice on Monday, Jan. 31, to be able to start NAFTA renegotiations within his first 100 days as promised.

If the <u>500 official U.S. trade advisers</u> representing corporate interests who have had a privileged role in developing our past trade deals, including NAFTA, remain in place to shape NAFTA renegotiations, the resulting deal not only could be more damaging to working people, but – like the Trans-Pacific Partnership (TPP) – become impossible to enact.

Even with Fast Track, Trump requires House and Senate majorities to enact a NAFTA redo. Most congressional GOP and their corporate allies support the offshoring incentives and other terms that must be eliminated if Trump is to deliver on his deficit reduction and job growth goals. Building a congressional majority requires that a NAFTA replacement exclude terms that would alienate congressional Democrats who for decades have promoted NAFTA alternatives to expand trade without undermining American jobs and wages, access to affordable medicine, food safety or environmental protections. (See Citizens Trade Campaign's Jan. 13 letter to Trump and U.S. Rep. Rosa DeLauro's Jan. 3 letter to Trump on what must be in a NAFTA replacement for it to provide broad benefits.)

Many congressional Republicans and the corporations that have rigged past deals view NAFTA renegotiation as a means to revive aspects of the TPP. This includes limits on generic competition that bring down medicine prices for consumers. Including such terms would eliminate Democratic support.

###