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Renegotiated NAFTA Deal: Improvements on Some Key Demands and More Work Needed

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

Note: A renegotiated North American Free Trade Agreement (NAFTA) was just announced. [Here](#) is our initial analysis of the Investment Chapter, which eliminates NAFTA's Chapter 11-B, Investor-State Dispute Settlement (ISDS). An initial analysis of how the full text measures up to our demands will be available [here](#) tomorrow:

“The new deal includes some important improvements for which we have long advocated, some new terms we oppose and more work required to stop NAFTA’s ongoing job outsourcing, downward pressure on our wages and environmental damage.

Important progress has been made with the removal of investment terms that help outsource jobs and a dramatic reining-in of NAFTA’s outrageous corporate Investor State Dispute Settlement tribunals under which corporations have grabbed hundreds of millions from taxpayers after attacks on environmental and health policies. This is a major change: The inclusion of expansive investor privileges and powers in the 1993 NAFTA hatched a new corporate-*coup-de-etat*-by-trade-agreement model that’s been followed ever since. That even this corporate-compliant administration whacked ISDS means a future Democratic president cannot backslide and sends a powerful signal to the many nations worldwide also seeking to escape the odious ISDS regime.

More work remains to be done. Unless there are strong labor and environmental standards that are subject to swift and certain enforcement, U.S. firms will continue to outsource jobs to pay Mexican workers poverty wages, dump toxins and bring their products back here for sale.

Areas of progress include a first-time-ever innovation of conditioning trade benefits for a percentage of autos and auto parts on the workers producing them being paid \$16 per hour or more. Terms that forced countries to continue to export natural resources that they seek to conserve are eliminated. Longstanding safety and environmental problems relating to Mexican-domiciled trucks’ access to U.S. roads are addressed. Rules of origin that allowed goods with significant Chinese and others non-North American value were tightened.

But despite Donald Trump’s “Buy American/Hire American” rhetoric, the new deal maintains NAFTA’s waiver of Buy American rules that require the U.S. government to procure U.S.-made goods, which would mean more outsourced U.S. tax dollars and jobs. New monopoly privileges for pharmaceutical firms added to the deal could undermine reforms needed to make medicine more affordable here and increase prices in Mexico and Canada, limiting access to lifesaving medicines.

Failed U.S. trade policies that have dramatically boosted corporate power and harmed workers, consumers and the environment require a complete transformation. A final renegotiation package that stops NAFTA's ongoing damage and begins the process of replacing the failed U.S. trade agreement model could obtain broad support.

Americans have suffered under NAFTA's corporate-rigged rules for decades. Nearly one million U.S. jobs have been government-certified as lost to NAFTA, with NAFTA helping corporations outsource more jobs to Mexico every week. The downward pressure on U.S. workers' wages caused by NAFTA outsourcing has only intensified as Mexican wages declined in real terms since NAFTA, with Mexican manufacturing wages now 40 percent below those in coastal China."

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