

Changes Needed for a Real NAFTA Replacement

The Administration's Current NAFTA Text Falls Short on Jobs, Wages, Human Rights, Public Health & the Environment — A Lot More Work Is Needed

The Trump administration's current text of the renegotiated North American Free Trade Agreement (NAFTA) fails to include critical changes needed to protect jobs, raise wages, defend human rights, safeguard the environment and promote public health. While progress has been made in some important areas, steps backward have been taken in others. Substantive additional work is needed before the pact is something that working people can be happy about.

Labor and environmental standards must be strengthened, with swift and certain enforcement mechanisms added.

- The issue at hand is not only what labor and environmental standards are written into any final agreement, but that the current proposal lacks the strong monitoring and enforcement mechanisms necessary to ensure that standards improved on paper translate into actual change on the ground.
- Without swift and certain enforcement that ensures that labor and environmental rights are meaningfully protected in an ongoing manner, jobs will continue to be outsourced, wages will continue to be suppressed and toxins will continue to be dumped.
- As to the standards themselves, the new text includes some modest but meaningful improvements on labor, with further strengthening needed. The current text rolls back environmental standards included in past trade deals, fails to even mention climate change and ignores NAFTA's legacy of helping corporations outsource jobs to evade environmental rules.

Provisions raising healthcare costs and barring access to lifesaving medications must be eliminated.

- The current NAFTA proposal would grant pharmaceutical companies new monopoly rights that would lock into place bad U.S. policies that keep prescription drug prices high and impose that system on Mexico and Canada.
- Provisions that must be eliminated include the new 10-year monopoly period for biologic medicines that would deny affordable access to lifesaving medical treatments and other terms that block access to generic drugs.
- Previous administrations found that the U.S. government could save over \$7 billion with shorter biologic medicine monopoly periods. The current proposal will tie the hand of Congress to save taxpayer dollars.

The deal must fully eliminate giveaways that help corporations interfere with labor, environmental, food safety and public health protections.

- While the deal makes important progress in curtailing Investor-State Dispute Settlement (ISDS), there is a three-year delay in its implementation and a loophole further preserves full ISDS rights for oil and gas firms with contracts

with the Mexican government.

- This loophole would enable some of the world's worst corporate polluters to continue to attack environmental and public health policies in an ongoing manner.
- The current NAFTA text also adds and in some instances expands upon unacceptable terms found in other pacts that provide corporations with additional ways to try to weaken or delay public interest protections.

Consumers' right to know about where and how their food is produced must be protected.

- A new provision must be added that explicitly establishes the right for the United States to restore the Country of Origin meat-labeling regime passed by Congress and affirmed repeatedly by U.S. courts, which was eliminated after being challenged as a World Trade Organization violation by Canada and Mexico.
- New labeling rules in NAFTA that would allow companies to hide ingredients in processed foods must also be withdrawn.

In addition, the progress already made towards reining in Investor-State Dispute Settlement (ISDS), strengthening Rules of Origin, eliminating proportionality rules pertaining to natural resource exports and reclaiming space for highway safety must be maintained and, in some instances, can and should be improved upon.

The current NAFTA renegotiation text should not be considered a done deal. Past administrations — including the Obama administration and the George W. Bush administration — have reopened the text of previously signed trade pact proposals in order to make additional changes deemed necessary by the U.S. Congress.