

Rep. Yanez offered the following concurrent resolution:

House Concurrent Resolution No. 10.

A concurrent resolution to urge the President of the United States to immediately initiate renegotiation of the North American Free Trade Agreement, including redressing ongoing trade deficits and enforcing labor and environmental standards, and consider withdrawing the United States from the agreement if 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 billion to \$12 billion and create 170,000 jobs per year in its first five years, but instead, NAFTA has resulted in more than two decades of growing trade deficits with Mexico and Canada and massive manufacturing job losses. 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, and in 2016, the United States' trade deficit with other NAFTA countries was \$172,995,603; and

Whereas, The United States' economy is still struggling to recover from the Great Recession. Millions of America's workers are unemployed or underemployed. Wages and consumer demand remain suppressed, and income inequality is at historic highs; and

Whereas, Between 2000 and 2014, American manufacturing employment dropped by 4 million jobs. The growing trade deficit, exacerbated by trade agreements like NAFTA, have displaced hundreds of thousands of jobs, including 43,600 jobs in Michigan; and

Whereas, Of the 20 hardest-hit congressional districts, half of the top 20 districts are in Michigan. Since Congress approved the Permanent Normal Trade Relations for China, the growth in the United States' trade deficit with China has resulted in the net loss of more than 3.2 million jobs, including 80,100 jobs in Michigan, and 7,500 in the 11th Congressional District, specifically; and

Whereas, More than 865,000 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; and

Whereas, The nearly 65 percent of American workers who do not have college degrees have been hardest hit by NAFTA job losses and wage cuts, negatively impacting entire communities; and

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 \$7,600; and

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; and

Whereas, NAFTA has benefited large agribusiness corporations over family farmers in all three nations, failing to address the very real problems of price volatility for producers and consumers alike, while damaging livelihoods in rural communities at home and abroad; and

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; and

Whereas, NAFTA's labor and environmental terms were included in unenforceable side agreements. 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; and

Whereas, NAFTA was 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; and

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. Corporations have extracted more than \$370 million from governments in NAFTA ISDS cases, while pending NAFTA claims total more than \$50 million; and

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 he pledged to withdraw the United States from NAFTA if he could not make it "much better" for working people; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we urge the President of the United States to initiate renegotiation of the North American Free Trade Agreement; and be it further

Resolved, That we urge that the North American Free Trade Agreement be replaced with a new trade agreement that:

1. Includes strong, binding, and enforceable labor and environmental standards in the agreement's core text with requirements that are enforced;
2. 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;
3. 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;
4. 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
5. Includes provisions to tax imported products that are made under highly climate-polluting conditions; and be it further

Resolved, That we believe that a new trade agreement should:

1. Guard against employer-dominated unions by requiring each participating country have laws in place that require:
 - a. Unions to provide members with timely access to union bylaws and to collective bargaining agreements and tentative collective bargaining agreements prior to ratification votes;

- b. Collective bargaining agreements to be ratified by a free and secret ballot vote of the workers covered under the collective bargaining agreement; and
 - c. Management to permit union representation in investigatory interviews;
- 2. Not include protections for foreign investors, including an Investor-State Dispute Settlement process, 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;
- 3. Not include provisions that undermine Buy America, Buy Local, or any other domestic procurement preferences or labor, environmental, or other standards for procurement contracts;
- 4. 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;
- 5. 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;
- 6. 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;
- 7. Strengthen NAFTA's "rules of origin" by:
 - a. 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
 - b. Eliminating transshipment and other loopholes;
- 8. 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;
- 9. Not include intellectual property provisions or other provisions that drive up the cost of medicines and provisions that would go beyond the existing World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights, which is already in effect in all NAFTA member countries;
- 10. Include a broad carve-out to safeguard nondiscriminatory domestic public interest policies from attack under any of the agreement's rules;
- 11. Not require access to United States' roads for commercial vehicles domiciled in other countries and require all foreign service providers' vehicles and drivers entering the United States to meet all highway safety and environmental standards before being granted access to and use of distribution and transportation systems; and
- 12. Safeguard each country's energy independence and autonomy over environmental policy by excluding terms such as those contained in NAFTA's energy chapter, which require countries to maintain proportionate shares of energy exports even at times of

domestic shortages or planned production reductions while enabling challenges to widely used climate policies; and be it further

Resolved, That we call on the President to initiate renegotiation of NAFTA not later than August 18, 2017; and be it further

Resolved, That we urge that renegotiations for the new trade agreement take place in a transparent, participatory, and democratic manner, ensuring adequate congressional and stakeholder input throughout the process; and be it further

Resolved, That we believe that the President should ensure each and every one of the provisions described in these resolved clauses 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 be it further

Resolved, That, if each and every one of the provisions described in these resolving clauses is not included in the core text of a new trade agreement within one year of the beginning of renegotiations, we call on the President to consider withdrawing the United States from NAFTA as provided for in Article 2205; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and the members of the Michigan congressional delegation.