

NAFTA Watch Newsletter Vol. 11 - NAFTA Renegotiation

Part 5: The Year Ends Without Any Major Agreements

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This publication is our eleventh installment in a series designed to provide our clients in the manufacturing, transportation and logistics, and related industries with monthly updates on any action taken by the Trump Administration, Congress, and/or federal governmental agencies with respect to the North American Free Trade Agreement ("NAFTA").

In our previous newsletter, we noted that representatives of the NAFTA countries would be meeting in Washington, D.C. in mid-December for unofficial negotiations. Those negotiations concluded on December 15, 2017, without any significant agreement on the major issues, such as automobile rules of origin, dispute resolution, and sunset clauses—all of which have been discussed at length in our prior newsletters. While agreement was reached on some minor and ancillary matters, such as environment standards, the major issues are poised to carry into 2018, when formal negotiations commence after a holiday break.

The next round of formal negotiations will occur in Montreal on January 23, 2018. As talks return to Canada, Canadian Prime Minister Trudeau recently announced that he would walk away from NAFTA, rather than agree to a deal that is bad for Canadians. Meanwhile, in the United States, President Trump continues to indicate his willingness to withdraw from NAFTA if U.S. demands are not met. Against that backdrop, the Montreal negotiations are likely to bring some fireworks and hopefully consensus on the major issues will begin to be reached.

As we previously noted, if an agreement is not reached by the end of March, and the United States does not start withdrawal proceedings, the parties would likely agree to postpone negotiations until late 2018 to allow for Mexican and U.S. elections.

Benesch will continue to monitor negotiations to provide monthly updates to our clients in the manufacturing, transportation and logistics, and related industries of any developments.

For more information on this topic, contact a member of [Benesch's Transportation & Logistics Practice Group](#).

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