NEWSLETTERS

NAFTA Watch Newsletter Vol. 5 – The Public Hearings on NAFTA "Modernization"

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Authors: Kevin M. Capuzzi

This publication is our fifth 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").

As noted in our previous installment, the Trump Administration is in the midst of the 90-day notice period required by law before NAFTA renegotiation may commence. The NAFTA renegotiations are being led by Commerce Secretary Wilbur Ross and U.S. Trade Representative Robert Lighthizer. In connection with that process, Representative Lighthizer (although neither he nor Secretary Ross were present in person) recently convened a three-day hearing to take public comment on the proposed NAFTA renegotiations. Those hearings, held June 27-29, were entitled "NAFTA Modernization" - suggesting a stark departure from the Trump Administration's earlier plan to completely scrap the three-country agreement.

The public hearings followed hearings in the Senate Finance Committee on June 21 and the House Ways and Means Committee on June 22. The U.S. Trade Representative's Office has also received thousands of online public comments, receiving so many that the Office's website crashed for a period of time.

The public hearings exemplified just how varied the interests in NAFTA renegotiation or "modernization" are. From industry groups, such as automobile manufacturers, to organized labor, like the AFL-CIO, to farmers and ranchers, the five-minute comments provided the U.S. Trade Representative's Office with a window into the unique concerns, issues, or desires of the diverse constituency groups. All the while, the Office continues to engage in discussions with Canadian and Mexican trade officials as they prepare for the formal negotiations to kickoff at the end of the 90-day notice period.

Among the public comments, the union representatives were some of the most vocal. And, given that the AFL-CIO represents about 55 labor unions, totaling over 12 million workers, their voice should be heard. The union representatives' comments focused on eliminating incentives for sending jobs out of the United States, enforcing labor and environmental rules to keep jobs competitive, banning currency manipulation, and developing stronger dispute resolution mechanisms.

Lighthizer has announced plans to release a summary of the public hearings by July 17. He also remains committed to launching formal negotiations on August 16, the earliest date after the 90-day notice period concludes. While still too early to tell if NAFTA will be renegotiated, "modernized," or

completely reworked, one thing from last weeks' public hearings is undeniable - the results will have a real impact on millions of Americans, including those in the manufacturing, transportation and logistics, and related industries, all with very unique and diverse interests in NAFTA. Benesch will continue to monitor negotiations and pre-negotiation releases of information to provide monthly updates to our clients of any developments.

For more information on this topic, please contact a member of Benesch's Transportation & Logistics Practice Group.

Paul Obszanski at pobszanski@beneschlaw.com or 317.685.6145.

Kevin Capuzzi at kcapuzzi@beneschlaw.com or 302.442.7063.