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USTR Invites Public Comments on Negotiating Objectives Regarding Modernization of NAFTA

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On May 18th, the new U.S. Trade Representative (USTR), Robert Lighthizer, formally notified Congress of the President's intent to initiate negotiations with Canada and Mexico regarding "modernization" of NAFTA.

If your company is involved in the trade of goods and/or services with Mexico or Canada this is an important opportunity for you to have input into these negotiations.

NAFTA was negotiated more than 25 years ago, and, while the economy and U.S. businesses have changed considerably over that period, NAFTA has not. In that light, the USTR is seeking public comments on matters relevant to the modernization of NAFTA in order to inform development of U.S. negotiating positions.

The Administration's "principal trade negotiation objectives" for entering into any new free trade agreement (FTA) or re-negotiation of an existing FTA, such as NAFTA, were established by Congress in section 102 of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, and those that might apply to NAFTA can be summarized as follows:

- To expand competitive market opportunities for exports of U.S. goods and services;
- To obtain "fairer" and "more open" conditions of trade by reducing or eliminating tariffs and non-tariff barriers and policies and practices that impede exports of U.S. goods, or otherwise "distort" U.S. trade;
- To obtain "fairer" and "more open" conditions of trade by reducing or eliminating barriers to trade in services, such as regulatory or other barriers that deny national treatment and market access for U.S. services;

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- To achieve reciprocal tariff and non-tariff barrier elimination agreements;
- To obtain competitive opportunities for exports of U.S. agricultural commodities that are least substantially equivalent to the competitive opportunities afforded foreign exports in U.S. markets;
- To reduce or eliminate “by a date certain” tariffs that decrease market opportunities for U.S. agricultural exports, and providing “reasonable adjustment periods” for U.S. import-sensitive agricultural products;
- To reduce or eliminate foreign subsidies that decrease opportunities for U.S. agricultural exports;
- To ensure for U.S. investors in foreign markets rights that are comparable to those afforded to foreign investors in the U.S.;
- To promote effective protection of intellectual property rights that are consistent with the standards of protection that are found in the U.S.;
- To ensure that standards of protection and enforcement of IP rights “keep pace” with technological developments;
- To ensure that current obligations, rules, and commitments under the WTO apply to digital trade in goods and services;
- To protect against currency manipulation by trading partners;
- To promote high standards of anti-corruption and anti-money laundering enforcement;
- To seek early identification and settlement of disputes through consultation; and
- To preserve the ability of the U.S. to employ its trade remedy laws, including antidumping, countervailing duties, and safeguards;

Transnational organizations with operations in the NAFTA region have a chance to submit their concerns to the USTR while it develops its negotiating objectives and positions for the agreement. These might include, but not be limited to:

- General and product-specific negotiating objectives;
- Treatment of specific goods (described by HTSUS numbers);
- Customs and trade facilitation issues;
- Appropriate modifications to rules of origin or origin procedures for NAFTA qualifying goods;
- Any unwarranted sanitary and phytosanitary measures and technical barriers to trade;
- Trade remedy issues; and
- Relevant digital trade issues that should be addressed in the negotiations.

Time is of the essence. The deadline for submitting written comments is on **Monday, June 12th, 2017**.

Also, any person may request to testify at the hearing, it will be held on **Tuesday, June 27th, 2017** at the USTR's offices in Washington D.C.

For link to the Federal Register, please click **here**.

For a summary of the Congressional Timeline under TPA, please click **here**.

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