

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

April 9, 2019

The Honorable Robert E. Lighthizer
U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Ambassador Lighthizer:

As my colleagues and I review the terms of the new agreement to replace the North American Free Trade Agreement (NAFTA), I can't help but recall when NAFTA was presented to Congress a quarter century ago. This time needs to be different.

In 1993, the Ways and Means Committee held hearings on the "supplemental agreements" on labor and environment that were being negotiated to address Democrats' concerns. Recalling the loss of manufacturing jobs in New England in the two decades prior, I raised concerns that NAFTA stoked the fear that American jobs would be on a continual road to Mexico where wages would always be unfairly low. That people who lose their jobs to lower wage competition are at best offered retraining, often for jobs that pay less and are less good. I raised concerns that there is nothing worse, after an agreement has been reached, than for one side to feel it had gotten a raw deal. And that border cleanup and border infrastructure were imperatives for an America entering into the NAFTA.

A lot of promises were made to secure Congressional approval for the deal. Administration and other public officials assured me that trade needs to be part of a comprehensive economic package that enhances and supports America's manufacturing base, requiring stimulus, investment, and permanent R&D incentives. As part of making NAFTA a reality, America would get our own economic house in order structurally. Training and assistance programs would be improved. The supplemental labor and environment agreements would have teeth and raise standards in North America rather than depress them. Addressing border infrastructure and cleanup would be number one priorities once NAFTA was put in place.

The key promises that were made in 1993 were not kept. Others were kept for a period and then forgotten as successive administrations moved on to the next agreement.

To be certain, over the last quarter century, NAFTA accomplished many things. Certain iconic U.S. industries achieved a high degree of integration across North America. But as I had feared, many Americans felt NAFTA was a raw deal. In fact, the supplemental labor and environment agreements did not have teeth. NAFTA is blamed for the further loss of American

manufacturing jobs, especially to Mexico where wages remain unfairly low even today. NAFTA became a four letter word in many communities and those scars are still deeply felt.

Border infrastructure continues to be a priority issue of debate today. That in itself shows that the promises made 25 years ago fell short. On environmental conditions on the border, my colleagues who represent those districts today are raising concerns that sound eerily similar to the ones raised in 1993.

Our trade agreements have evolved over time. At the insistence of House Democrats, chapters addressing worker and environmental protections have become standard in the body of U.S. trade agreements. On May 10, 2007, after House Democrats returned to the majority, we reached an agreement with the Bush Administration to modify the four trade agreements that had been concluded but were still pending before Congress.

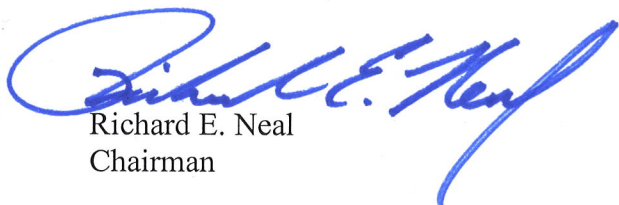
The "May 10 Agreement" enhanced the labor and environmental chapter obligations in U.S. trade agreements. The stronger commitments in those chapters were made more meaningful by becoming more enforceable. (Although time and experience have demonstrated that more needs to be done.)

Sometimes overlooked, the May 10 Agreement also required changes to intellectual property provisions in the pending agreements. Those changes were made to provide people in our partner countries, especially the developing ones, better access to life-saving medicines. Then, as now, it has been a priority of House Democrats to ensure that people, whether in America or abroad, can afford their health care.

In the next days, you will be hearing more from my colleagues and from me about our concerns with the new agreement. You should not be surprised by the concerns. Strong labor standards. Strong environmental standards. Mechanisms inside the agreement to ensure that those provisions (and other provisions) are enforceable and will make a difference. Terms that are favorable to Americans' access to affordable health care and preserve Congress's space to make future policy changes.

It is critical that we work together to address these concerns. Unlike last time, the promises and assurances made to secure support for this trade agreement must be more than just words on a page. Pledges to train and educate our workers, revamp our border infrastructure, and clean up our shared borders cannot fall by the wayside again. If we don't learn from our own history, we are doomed to repeat it.

Sincerely,



Richard E. Neal
Chairman