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Statement of USTR Robert Lighthizer at the Closing of the Seventh Round of NAFTA Renegotiations

As Delivered

March 5, 2018

Mexico City, Mexico

Ambassador Lighthizer:

Good Afternoon.

Let me begin by commending Secretary Guajardo for a terrific job hosting this seventh round of negotiations here in Mexico City. It is a privilege to return to this great city. Not long after I was last here, Mexico was struck by devastating earthquakes. Your nation's rapid recovery from that tragedy shows the great strength of the Mexican people. You deserve our praise for that and our continued prayers and support.

I would like to thank both of you — Secretary Guajardo and Minister Freeland — for your hard work and for the hard work of your able staffs. We have to keep in mind that there were several hundred people working very long hours for several days during the course of this process. We are dealing with a large number of difficult issues, very technical issues, and I appreciate the efforts made by all negotiators.

In spite of this hard work, we have not made the progress that many had hoped in this round. We have closed out only three additional chapters: Good Regulatory Practices, Administration and Publication, and Sanitary and Phytosanitary Measures. We have also completed work on sectoral annexes related to chemicals and proprietary food formulas. And we are making substantial progress on Telecommunications and Technical Barriers to Trade. We have also agreed to include a chapter on energy. These chapters are important and provide further evidence that all three countries want to upgrade and modernize NAFTA. But to complete NAFTA 2.0, we will need agreement on roughly 30 chapters. So far, after seven months we have completed just six. Now granted, these things tend to converge more towards the end of a negotiation.

As I have said since August, we have two major goals in these negotiations. First, we want to update NAFTA to address modern trade issues. All three countries agree that NAFTA is outdated, and I believe we should be able to reach agreement on new issues like digital trade, labor, and environment, intellectual property, and much more. We urge all parties to move more quickly on these issues.

Second, we believe that NAFTA should be rebalanced. This has been a longstanding U.S. concern about the treatment of our workers and businesses. From our point of view, among other things, changing the agreement so that it no longer encourages outsourcing, developing rules of origin that will fairly treat our manufacturing sector and workers, and reshaping the rules of government procurement are very

important. We also need to make more progress on these points to conclude a new NAFTA. We continue to stress the need to act quickly.

Now our time is running very short. On July 1, as everyone here knows, Mexico will choose a new president. That campaign as I understand it begins in earnest just next month. But Mexico is not the only NAFTA country in the midst of elections. Both Ontario and Quebec have elections scheduled later this year. Finally, the United States has mid-term elections coming up in November. All of this complicates our work. I fear that the longer we proceed, the more political headwinds we will feel.

I also note that in all three countries, reaching an agreement at the negotiating table is only part of the process. In the United States, after an agreement in principle is concluded, our laws require public disclosure of text, further consultations, and numerous reports before it can be considered by Congress. Thus, in the U.S., we must resolve our outstanding issues soon to maintain the possibility of having this measure be considered by the current Congress.

As President Trump has said, we hope for a successful completion of these talks, and we would prefer a three-way, tripartite agreement. If that proves impossible, we are prepared to move on a bilateral basis, if agreement can be made.

We have tried to be clear and very specific about what we hope to see in a new NAFTA. We are prepared to work continuously to achieve a breakthrough. I understand that these talks are not easy for anyone. Each of us has our own political concerns. But we are at the point where we have very important decisions to be made. If the political will is there, I am certain that we have a path to a rapid and successful conclusion.

Thank you.