



WAYS AND MEANS

KEVIN BRADY, REPUBLICAN LEADER

USMCA: A Win for American Workers We Must Pass Without Delay

Topline: The new United States-Mexico-Canada Agreement negotiated by President Trump and his team will grow our strong economy. This trade deal is a win for American workers, farmers, and manufacturers.

Pass USMCA Now: There is No Excuse for Failing to Pass USMCA

- America's workers can't afford to wait any longer.
- Democrats must join with Republicans in passing USMCA and should not allow special interests to walk away from what's best for America.

The Numbers Show USMCA Puts American Workers First

- Over \$68 billion in new economic activity
- 176,000 new jobs here in America
- \$34 billion in new auto plants
- 76,000 new American automotive sector jobs

While Finetuning Between Lighthizer and Pelosi Reflects Realities of Divided Government, Republican Priorities are Maintained

- Republican priorities dominate the new USMCA, including strong enforcement of the entire agreement and ending panel blocking by any country. This bipartisan agreement will set the stage for greater economic growth for the U.S.

American Farmers and Ranchers Can Finally Compete on an Even Playing Field

- For the first time, we have pried open Canada's market to sell American dairy, wheat, chicken, eggs, and turkey.

American Innovators Empowered to Sell Goods and Services Globally

- For the first time in any trade agreement, there is a new chapter dedicated to digital trade, furthering digital innovators and allowing for a stronger American economy.

A Substantial Improvement Over NAFTA

- Passed over 24 years ago, NAFTA had to be modernized for the 21st century with stronger enforcement provisions, among other major improvements.

Bipartisan Agreement, not Radical Leftist Ideas

- Historic labor and environmental reforms in USMCA will have a more meaningful and balanced impact than liberals Democrats' demands for including provisions from the Paris Climate Accord or the expensive Butch Lewis Multiemployer Pension Act. By setting strict appropriations requirements around some of the additional spending Democrats have called for, USMCA reins in reckless spending.

Bottom Line: American workers have a major victory in USMCA – and will suffer the biggest loss if Democrats refuse to pass this agreement. We cannot afford to delay. It's time to pass #USMCAnow.



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**USMCA Deal Denies Democrat Demands;
Maintains Key Republican Priorities for
American Workers, Manufacturers, and Farmers**

- Denies Democrats their wish list of billions in wasteful spending to benefit special interests and instead provides modest and targeted capacity building to clean up the Mexican border and force Mexico to end its efforts to gain a competitive edge by undercutting American workers.
- Protects our Right to Work states.
- Improves the enforcement mechanism for all aspects of the agreement, not just Democrat priorities on labor and environment, so we can hold Mexico and Canada accountable in meeting the ambitious obligations in the agreement.
- Forces Mexico to improve worker conditions that have allowed Mexican factories to out-compete American manufacturers.
- Creates an innovative mechanism to compel Mexico to end its artificial low wage conditions through accountability and transparency while severely limiting exposure of U.S. companies and farmers to intrusive inspections and trade barriers.
- Blocks efforts by Democrats to force the United States to comply with ILO conventions that we have not agreed to or obscure decisions by ILO bureaucrats.
- Maintains important environmental priorities such as increasing U.S. competitiveness in green technology, without mandating U.S. participation in international agreements such as the Paris Climate Accord, where there is no U.S. consensus.
- Limits our obligations to cover those environmental agreements to which we are a party and the Senate has ratified.
- Blocks Democrat efforts to undermine our innovators
 - USMCA will not establish negative precedent through setting data exclusivity protections for biologics at levels below U.S. law;
 - USMCA imposes realistic protections for creativity and does not change U.S. law in any way



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Republicans Stopped Democrats from Distorting USMCA with Special Interest Benefits: Republican Priorities Maintained in Final Deal

- Democrats wanted a special tribunal of labor interests empowered to show up at facilities unannounced in Mexico and the United States and shut down their trade without due process if it ruled against them based on obscure standards.
 - Instead, USTR negotiated a fair and transparent rapid response mechanism that is part of the overall government to government dispute settlement process to hold Mexico accountable for high labor standards and prevent Mexican companies from giving themselves an advantage over our companies by permitting poor labor conditions.
 - Democrats insisted that U.S. companies be exposed to the same mechanism although the U.S. has higher labor standards, but USTR obtained critical protections for our companies, including preventing any investigation unless a company is already in trouble under U.S. law because it is the subject of an adverse National Labor Relations Board Order; limits exposure of agriculture.
- Democrats wanted a special mechanism just for enforcement of labor and environmental standards, with a private right of action for unions and special interests to force intrusive cases.
 - Instead, Republicans improved enforcement of ALL provisions in the agreement, holding Mexico and Canada accountable to meet high standards for intellectual property, eliminate tariff and non-tariff barriers to trade, and comply with world class digital trade standards that improve our competitive edge.
 - Additional mechanisms to enforce labor standards are tailored and limited.
- Democrats wanted insert numerous environmental obligations into USMCA to bind the United States, including the Paris Climate Accord and an agreement to eliminate plastics in landfills.
 - Instead, USTR maintained Republican priorities set out in TPA, without new obligations on climate change or other matters where there is no U.S. or international consensus.
 - At the same time, USTR blocked the ability of Mexico to reduce environmental standards to gain a competitive advantage over our companies and workers.
- Democrats sought to reduce key protections for our pharmaceutical innovators by eliminating all intellectual property protections for biologics.
 - USTR agreed to leave the agreement silent on the time period for data exclusivity for biologics, which avoids creating negative precedent for protection that does not meet the U.S. standard. The agreement does not change U.S. law for twelve years of protection
 - USTR maintained other vital IP protections for this important sector.

- Democrats sought billions in mandatory spending over ten years for its special interests, in the guise of improving labor and environmental compliance in Mexico.
 - USTR insisted on limiting spending, subject to appropriations, over four years, plus recapitalization of NADBank to carry out environmental cleanups in California, Texas, Arizona, and New Mexico.
 - The funding levels are well below the excessive spending that Democrats and the Obama Administration achieved as a price for passage of Trade Promotion Authority in 2015.