



Co-Chairs
Senator Terry Gerratana
Connecticut

Representative Kevin Ryan
Deputy Speaker
Connecticut

Director
Wendell M. Hannaford

RESOLUTION # CA/US-2017-01

RESOLUTION TO INCLUDE STATES AND PROVINCES IN NAFTA
NEGOTIATIONS

Whereas, The Council of State Governments' Eastern Regional Conference (CSG/ERC) comprises the 11 Eastern States from Maine to Maryland, the U.S. Virgin Islands, Puerto Rico, and five eastern Canadian Provinces; and

Whereas, free trade between the United States and Canada is in the best economic interest of both nations; and

Whereas, the total value of goods traded between Canada and the United States has more than doubled since the creation of NAFTA, reaching \$500 billion in 2016; and

Whereas, according to the U.S. Chamber of Commerce, nearly 14 million American jobs depend on trade with Canada and Mexico, while nearly 2 million Canadian jobs depend on trade with the United States, according to Global Affairs Canada; and

Whereas, Canada is the leading business partner of 35 U.S. States; and

Whereas, the Northeastern States especially benefit from NAFTA, as the region exports more than \$55 billion of goods to Canada every year; and

Whereas, for more than 20 years now, the economies of Canada, Mexico, and the United States have been growing more and more intertwined through the creation of complex cross-border value chains, motivating companies to rely on free trade and organize their operations accordingly; and

Whereas, 88 percent of recent job losses in the U.S. manufacturing sector can be attributed to the mechanization of production rather than to delocalization; and

Whereas, renegotiation of NAFTA under its Article 2202 is imminent following the U.S. federal administration's notification to Congress on May 18, 2017; and

Whereas, NAFTA is more than 20 years old and requires adjustments to adapt it to new realities such as e-commerce, which accounts for 50 percent of the world's traded services and 12 percent of all goods traded across borders; and

Whereas, there has been ongoing demand for a more transparent investor-state dispute settlement mechanism that would not restrict the government's ability to regulate public matters such as healthcare and environmental protection; and

Whereas, NAFTA includes few guarantees in terms of environmental protection, workers' rights, and gender equality;

Therefore Be It Resolved, that the ERC strongly encourage the Canadian and U.S. federal governments to do everything in their power to avoid the termination of NAFTA and to negotiate in good faith to update the agreement; and

Be It Further Resolved, that the Canadian and U.S. federal governments involve state and provincial governments before and during the renegotiation of NAFTA; and

Be It Further Resolved, that state and provincial legislators, in keeping with their role as overseers of the government's actions, be given the opportunity to examine and analyze changes made to NAFTA; and

Be It Further Resolved, that a renegotiated NAFTA address barriers to, and the lack of regulation of, cross-border digital trade; and

Be It Further Resolved, that NAFTA's investor-state dispute settlement mechanism be modified to make it more transparent and to allow governments to enact policies that protect public welfare; and

Be It Further Resolved, that the renegotiation process include modernizing NAFTA in order to incorporate stronger provisions guaranteeing environmental protection, workers' rights, and gender equality; and

Be It Further Resolved, that this resolution be submitted to CSG Regional Directors for distribution to CSG members.

**Adopted August 16 at the CSG/ERC Annual Meeting and Policy Forum,
Uncasville, Connecticut**