



# FACT SHEET

## Trade and Manufacturing – NAFTA 2.0

The United States, Canada and Mexico are currently renegotiating the North American Free Trade Agreement (now referred to as the United States–Mexico–Canada Agreement or USMCA).

After decades of ravaging our economy, NAFTA is being renegotiated because America's working people demanded it. Our hard work made clear that the original, failed NAFTA cannot continue. Negotiations have moved the ball down the field, but there's still more work to be done. America's working families cannot support the revised NAFTA now before us without additional changes to the text and supporting provisions in implementing legislation.

The current text provides more promises than it does concrete solutions. While there are some improvements to the original labor and environmental rules, and new ideas to boost U.S. content in traded goods, these modest changes aren't enough to ensure working families will benefit. The deal lacks effective provisions to reduce outsourcing in such key sectors as autos, aerospace, processed meat and foods, and call centers.

Outsourcing remains a key concern for America's working families. In a recent example, at the start of February, GM began laying off the first half of an announced layoff of 8,000 U.S. employees—and it has announced the closure of two assembly plants and two transmission plants in the United States and one in Canada, even as it expands operations in Mexico.

The labor rules retain important weaknesses, including loopholes that limit their reach. Trade rules are simply hollow words unless backed by swift and certain enforcement. Without better rules and swift and certain enforcement, Mexico's workers will continue to face threats and violence when trying to join an independent union. Without a union and a contract, Mexico's workers will continue to earn wages of \$2 an hour or less. If the new rules allow corporate CEOs to continue to close shops in the United States and move to Mexico in pursuit of low wages and weak labor and environmental standards, the renegotiation will have been a failure.

Some of the revised deal's rules are even worse than the current NAFTA, including monopoly rights for pharmaceutical corporations that will keep drug prices sky high, and new rules that will undermine public interest protections, such as those that keep workers safe on the job. Rather than accepting that this is the best the three countries can do, we're urging the parties to go back to the table to fight for an ironclad agreement that working people can endorse and be proud of. That means an agreement that raises wages, protects workers and grows our economy.

Working people bear the burden of the continuing failures of NAFTA and its impact on our jobs, our environment, our communities and our democracy. We know the solution isn't less trade,

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS DEPARTMENT OF GOVERNMENT AFFAIRS

1750 New York Avenue, NW, Suite 335, Washington, DC 20006 ■ 202-756-2868 phone ■ 202-756-2869 fax ■ [www.boilermakers.org](http://www.boilermakers.org)  
Cecile Conroy ■ Director of Government Affairs ■ [cconroy@boilermakers.org](mailto:cconroy@boilermakers.org)

but better rules—rules that put families and communities first. That has been our goal since day one, and our standard to support any new deal.

**Boilermakers' Message to Senators and Representatives:**

The NAFTA renegotiation requires strong labor rights provisions and strong enforcement provisions that as of today are not yet in the agreement. In addition, as the current draft of the new NAFTA recognizes, Mexico must enact and fully and effectively implement reforms to its labor law to end the race to the bottom for workers in all three countries. This will require the upfront guarantee of sufficient resources for enforcement. **This must happen before Congress takes up any new NAFTA deal.**

But if the Administration insists on a premature vote on the new NAFTA in its current form, **we will have no choice but to oppose it.**