

# Intelligence MEMOS



From: Christopher Sands and Colin MacKenzie  
To: Concerned Canadians  
Date: July 13, 2017  
Re: **NEW RULES FOR NAFTA**

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As renegotiation on the North American Free Trade Agreement gets underway there is one fundamental change on the US side that promises to change the dynamic.

This time there are 535 extra chefs in the kitchen.

Under detailed two-year-old rules governing all US trade negotiations, Congress will have its fingers at every stage of the process and has bound the US side to a strict series of deadlines. Instead of the secrecy-shrouded open-ended talks that led to the Canada-US free trade deal 30 years ago and NAFTA seven years later, US negotiators are required to keep no fewer than 16 congressional committees continuously updated and to follow a tight timeline.

Here's a primer on the process.

The clock started ticking last May 18 when the Trump administration formally notified Congress that it intended to reopen NAFTA. The next step requires the U.S. Trade Representative (USTR) to publish on its website the specific negotiating objectives along with a description of how a new agreement would address these objectives and benefit the United States.

The May 18 notification means the likely date of that publication is next Monday, and the earliest possible start date for the negotiations is August 16.

During the negotiations, USTR is obligated to consult with eight House and eight Senate committees and respond to requests for information from the House and Senate Advisory Groups on Negotiations. Then, 180 days prior to the conclusion of the negotiations, USTR must submit a report to the House Ways and Means and Senate Finance committees on any potential changes to US trade remedy legislation that may be required.

Notification of Congress of the Trump administration's intent to enter into a new agreement is required 90 days prior to the conclusion of a final agreement, as well as a detailed report to the US International Trade Commission (USITC) for its assessment of the likely impact.

Sixty days prior to signing a final agreement, USTR must publish its text.

Once it is signed, the review phase of the negotiation begins. Within 60 days, USTR must submit to Congress a description of any changes that the agreement would require to US law. The USITC must complete its assessment of the agreement's potential impact within 105 days of signing. Sometime after this, the Trump administration must submit to Congress a copy of the final text along with environmental and labour impact assessments and a plan for implementation and enforcement. Then the administration must provide a draft of necessary implementing legislation no less than 30 days after that.

The final phase of the process is Congress' debate and votes on the agreement and implementing legislation. If the Trump administration has met all those requirements, Congress has given itself 90 session days to complete the process.

If Canada, Mexico and the United States reach an agreement on a NAFTA 2.0 text that complies with those terms and conditions, Congress will give the deal expedited consideration, a guaranteed up-or-down vote without the possibility of amendment.

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