



WAYS AND MEANS

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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.