



NEW DEMOCRAT COALITION

NAFTA 2.0 PRIORITIES

The New Democrat Coalition supports the prospect of updating the North American Free Trade Agreement (NAFTA) to reflect the modern trade issues of the 21st century economy. Since its founding, the Coalition has been integral to the congressional consideration of every major trade initiative. As the Coalition works on issues related to updating NAFTA, we have identified the following priority areas:

1. Restore confidence in the United States' trade relationship with our North American allies.
 - a. Rescind the unilateral tariffs President Trump announced on Mexico and maintain a secure and working border with Mexico allowing for continued trade and legal movement of people.
 - b. Maintain the removal of the Section 232 tariffs applied on steel and aluminum from Canada and Mexico, do not replace these with quotas, and remove the threat of Section 232 tariffs on autos and auto parts.
 - c. Eliminate the threat of withdrawing from NAFTA.
 - d. Reauthorize the Export-Import Bank with a bill that provides long-term certainty that the bank will be open and fully functional and expands rather than restricts its support for U.S. exporters and American jobs, in particular rejecting any concentration cap on individual exporters' use of the Bank.
2. Strengthen enforcement, labor, and environmental commitments in an updated NAFTA and ensure any changes put forward in the implementing legislation do not adversely impact U.S. businesses, consumers, or workers.
 - a. Continue progress after the passage of labor reform legislation by the Mexican Congress prior to consideration of the implementing legislation in the U.S. Congress.
 - b. Support the creation of working groups of House Democrats interested in supporting the agreement to resolve outstanding concerns on enforcement, labor, environment, and access to medicines before Congressional consideration of the implementing legislation.
 - c. Provide technical assistance and capacity building to assist Mexico implementing its labor and environmental commitments.
 - d. Reject any efforts, including in the implementing legislation, to lower the current U.S. de minimis threshold.
 - e. Prevent the use of Section 301 tariffs as the means of enforcement.
3. Use the momentum behind updating NAFTA to advance a bipartisan domestic priority. We urge House Democratic leadership to secure a commitment from Senator McConnell and President Trump to advance a bipartisan domestic priority ahead of consideration of implementing legislation to update NAFTA such as:
 - a. Infrastructure legislation
 - b. Legislation to close the workforce skills and opportunity gap
 - c. Legislation to increase the federal minimum wage

The New Democrat Coalition looks forward to working constructively with the Administration and our colleagues in Congress as we consider the path forward for an updated trade agreement with Canada and Mexico. In addition, individual members of the Coalition may have additional priorities and we urge the Administration to consult directly with those members.