

June 15, 2017

Presentation from Mr. Mitchell Ferguson, Deputy Director for Bilateral Trade Affairs, Bureau of Economic and Business Affairs, U.S. State Department

○ Topic of Presentation: The North American Free Trade Agreement (NAFTA) – the basics of NAFTA, the controversy around NAFTA and what counties need to know about how NAFTA impacts them and their residents.

- 180-degree change in trade policy with change in administration
- Working on renegotiation of NAFTA

- 1. Overview of NAFTA
 - One of the most important trade agreements negotiated
 - Became model for our trade agreements
 - Brought together our two largest trading partners
 - Almost everything we buy is affected by it, and world prices are affected by the supply chains that this agreement created
 - Products will go back and forth across the borders many times before becoming a finished product
 - Two main issues:
 - What will happen if these supply chains unwind with the renegotiation?
 - I.e., what will happen if, say, the Mexican company is taken out of the chain?
 - What will happen to the price of the good?
 - Cost of products could rise
 - It's easy to talk about jobs being lost, but it's harder to quantify what will be the effect on the consumer
 - Implemented January 1, 1994

- 2. Renegotiation of NAFTA
 - President Trump signed executive order to look at significant trade deficits ([CLICK HERE](#))
 - We're looking at what causes our trade deficits and Canada and Mexico are two of our largest ones
 - The administration wants to lessen the trade deficits
 - What they want is a deal with NAFTA that brings more opportunity to manufacturing in the U.S.
 - Just now gearing up for the renegotiation with Congress
 - Presidential administration can send a renegotiation
 - When NAFTA started, there weren't any app stores
 - Looking at regulations for data
 - The arc of globalization: these trade agreements affect our relations with the rest of the world
 - Renegotiating NAFTA = bending the arc of globalization
 - Putting the brakes on full integration of the North American economy (moving away from potential future of having open borders and one currency in the future, e.g.)

- Very rarely do we have public debates about who our trade agreements benefit – this is an opportunity for us to have this debate

Contact Info

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Best Practice Highlight – AmSkills and Pasco County, Fla.

- The Hon. Kathryn Starkey, Commissioner, Pasco County, Fla.
- Mr. Tom Mudano, Executive Director, American Manufacturing Skills Initiative (AmSkills)

[Link to AmSkills Presentation](#) – Click here for notes

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