

## Managing the 2017 NAFTA Challenge

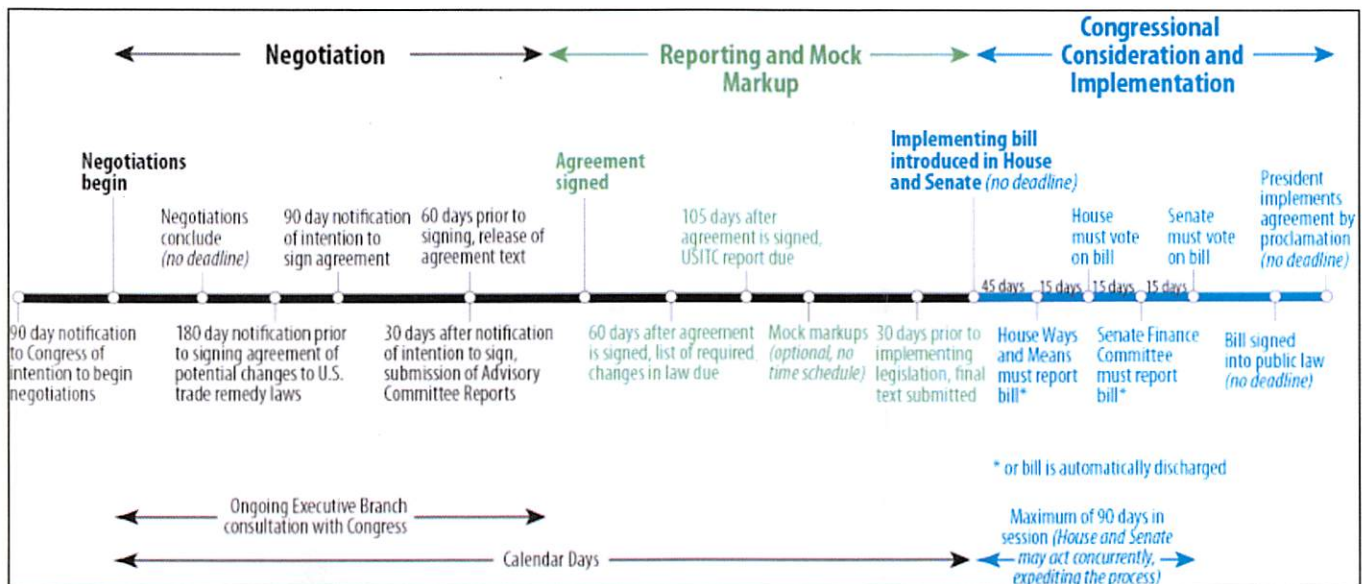
Authored by Heather Innes

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President Trump's campaign promise to renegotiate the North American Free Trade Agreement ("NAFTA") will soon be formally underway. In fact, in Mexico the process began on February 1, 2017, as the Mexican government announced a 90 day consultation period with representatives of the domestic industry to discuss and agree on the main concerns and proposals from all relevant sectors. Ever since, the Mexican Ministry of Economy and CONCAMIN have established the so-called "Cuarto de Junto" (Room Next Door) with government and industry representatives. Among the sectors that have demonstrated more interest in participating are: automotive, agricultural and chemicals. It is known that the Mexican government and industry intend to take into consideration the Trans-Pacific Partnership's ("TPP") provisions under NAFTA re-negotiation, to include or broaden certain chapters such as E-commerce, anti-bribery, transparency, competitiveness, environment, IP, and trade facilitation, among others.

In the United States, the Trump Administration has signaled that it is preparing a letter to Congress under the Trade Priorities and Accountability Act ("TPA") of 2015, providing 90-days' notice of its intent to re-negotiate NAFTA. The release of this letter is expected imminently.

Once the notification letter is sent, it will start a 90-day clock for mandatory consultation between the Administration and Congress as guided under the TPA. During this time, the Office of the U.S. Trade Representative will solicit comments from the public, consult with congressional committees, and provide briefings for members of Congress. Within those 90 days, companies can play a key role in shaping negotiations. Formal negotiations between the United States, Canada, and Mexico cannot start until after the 90 days run. If the letter is sent in May, negotiations would start in late August. Please see below for the timelines for negotiation and consultation under the TPA:



Canada has not yet formally announced a consultation period. However, representatives of Global Affairs Canada have been fully engaged with their US counterparts and are discussing the issue with industry groups and representatives.

These negotiations represent a real opportunity for North American businesses to preserve and possibly enhance their ability to move goods and services across our mutual borders. However, as with any negotiation, there will be winners and losers. The Canadian, U.S. and Mexican governments are currently developing their respective positions on the issues that they want or expect to be negotiated, so this is a critical time for business to make its voice heard.

To assist clients in dealing with the effects that any upcoming changes to NAFTA may have on their businesses, we have put together a tri-national team of attorneys from the United States, Mexico, and Canada. Feel free to contact us at any point.

This article was prepared by Heather Innes (Counsel, LexSage Professional Corporation)

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.



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