

SENATE BILL REPORT

SJM 8013

As of April 1, 2019

Brief Description: Requesting that Congress ratify the United States-Mexico-Canada Agreement.

Sponsors: Senators Honeyford, Ericksen and Bailey.

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 4/02/19.

Brief Summary of Joint Memorial

- Requests Congress to ratify the U.S.-Mexico-Canada Agreement as soon as possible, remove steel and aluminum tariffs on Canada and Mexico, and to request Canada and Mexico remove all retaliatory tariffs on all U.S. goods and services.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Staff: Kellee Gunn (786-7429)

Background: The North American Free Trade Agreement (NAFTA) is a three-country accord negotiated by the governments of Canada, Mexico, and the United States that went into effect in January 1994 after ratification by the respective legislative bodies of all three nations. The intent of NAFTA was to stimulate trade amongst its members by removing certain tariffs and controls.

In October 2018 a new trade agreement deal, known as the U.S.-Mexico-Canada Agreement (USMCA), was negotiated and signed by the leaders of Canada, Mexico, and the U.S. Amongst other modifications to NAFTA, the USMCA makes certain changes to hourly wages for auto industry employees, automobile part manufacturing, dairy product restrictions in Canada, steel product tariffs, biotech pharmaceuticals, and intellectual property rights protections. The agreement is set to take effect in 2020 and will be reviewed every six years with a tentative expiration in 2036, if it is not extended to 2052.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The U.S. International Trade Commission must submit to the U.S. President and Congress a report assessing the expected impact of the USMCA on the U.S. economy and on specific industry sectors by April 20, 2019. After receiving that analysis, Congress may take up and ratify the USMCA .

Summary of Joint Memorial: The Legislature requests Congress to ratify the USMCA as soon as possible, to remove steel and aluminum tariffs on Canada and Mexico, and to request Canada and Mexico remove all retaliatory tariffs on all U.S. goods and services.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.