

AS ADOPTED BY SENATE, OCTOBER 16, 2019

SUBSTITUTE FOR
SENATE RESOLUTION NO. 73

1 A resolution to urge the Congress of the United States to
2 speedily approve the recently negotiated United States-Mexico-
3 Canada Agreement.

4 Whereas, The North American Free Trade Agreement (NAFTA) is a
5 close tri-lateral relationship between the United States, Canada,
6 and Mexico. For more than 25 years, NAFTA has been economically,
7 culturally, and strategically important for all parties; and

8 Whereas, **NAFTA** is significant for the American economy. Trade
9 with Canada and Mexico supports nearly 12 million American jobs,
10 and nearly 5 million of those jobs are supported by increased NAFTA
11 trade. Since the agreement began in 1994, trade with Canada and
12 Mexico has nearly quadrupled to \$1.3 trillion, and the two
13 countries buy more than one-third of U.S. merchandise exports. U.S.
14 service exports to Canada and Mexico have also tripled, rising from



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1 \$27.5 billion in 1993 to \$91.3 billion in 2017, thanks to the trade
2 agreement's new market access and clearer rules; and

3 Whereas, Trade with Canada and Mexico is significant to U.S.
4 states. For 43 states, our contiguous international neighbors
5 represent the first or second largest export market, and all but
6 one state counts Canada or Mexico as a top three trading partner.
7 Canada is Michigan's largest export market, and Mexico is
8 Michigan's third largest export market. NAFTA has also contributed
9 to a 300 percent increase in Michigan's agricultural exports to
10 Canada and Mexico; and

11 Whereas, Small and medium-sized enterprises in the United
12 States rely on trade with Canada and Mexico to support and grow
13 their business. Canada and Mexico are the top two export
14 destinations for U.S. small and medium-sized enterprises, more than
15 125,000 of which sold their goods and services in Canada and Mexico
16 in 2014; and

17 Whereas, Trade among our North American trading partners is
18 made up predominantly of intellectual property (IP)-intensive goods
19 and services that employ millions of Americans in high paying jobs
20 and generate billions of dollars in economic output. However, many
21 of the IP-intensive goods, services, and exchanges through which
22 trade is facilitated did not exist when the agreement was drafted.
23 This situation has resulted in uneven and weak IP enforcement.
24 Stronger enforcement of IP rights will encourage more foreign
25 direct investment and increase gross domestic product; and

26 Whereas, The United States-Mexico-Canada Agreement (USMCA)
27 creates a 21st Century trade agreement for North America. The
28 renegotiated USMCA has provisions favorable to U.S. autoworkers
29 that would help level the playing field between U.S. and Mexican



1 autoworkers. The updated agreement is also more beneficial to the
 2 agricultural sector than NAFTA and will offer a higher degree of
 3 certainty and stability to Michigan farmers. The new IP provisions
 4 are the most comprehensive of any multilateral U.S. trade agreement
 5 and are vastly superior to those included in NAFTA; and

6 Whereas, The USMCA is a win for all three countries.
 7 Ratification will modernize North American trade, reduce
 8 uncertainty by setting the rules for every player, encourage
 9 investment and innovation, and support millions of well-paying
 10 manufacturing jobs. The USMCA will also encourage automotive
 11 research and development investments in the United States and
 12 ensure that the U.S. automotive industry, which is fundamental to
 13 the Michigan economy, remains a leader in the global economy; and

14 Whereas, A seamless transition between NAFTA and the USMCA
 15 will ensure that none of the benefits in trade accomplished by the
 16 integration of the three North American economies will be lost;
 17 now, therefore, be it

18 Resolved by the Senate, That we urge the Congress of the
 19 United States to speedily approve the recently negotiated United
 20 States-Mexico-Canada Agreement; and be it further

21 Resolved, That copies of this resolution be transmitted to the
 22 President of the United States Senate, the Speaker of the United
 23 States House of Representatives, and the members of the Michigan
 24 congressional delegation.

