

NAFTA 2.0: NORTH AMERICAN TRADE AFTER USMCA

Term II Spring Break Session, 2 Credits

Meets March 9-12, 2020

Professor Trujillo

NAFTA 2.0 Reading assignments:

You can find the full text of USMCA: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>. Excerpts can be found on Blackboard.

All readings are on Blackboard under "Readings" Folder.

As per the Syllabus, you have read Folsom, NAFTA: Free Trade and Foreign Investment in the Americas in a Nutshell (NAFTA Nutshell) to provide you an overview of the original agreement. Please bring this book to class everyday as we will refer to the Agreement in the end of the book and I may ask you to review certain sections related to class discussion.

Topics for March 9th:

Introduction into Trade, NAFTA and the USMCA

Multilateralism v. Regionalism

Three Economies, Three Cultures

Getting to NAFTA

Free Trade in Goods in NAFTA and Introduction to Rules of Origin & Technical Barriers to Trade (SRM's)

Dispute Resolution in Trade (briefly)

Speaker at 1pm via Zoom: **Professor David Gantz**, Samuel M. Fegly Professor of Law and Director Emeritus, International Economic Law and Policy Program at University of Arizona James E. Rogers College of Law (Bio on Blackboard)

Morning:

Topic: Introduction to Trade; Three Economies and Three Cultures

Readings:

- Guzman, International Trade, pp.1-32; 33-39; 83-102
- Folsom, NAFTA Nutshell, pp. 5-24 (review)
- Zamora, Mexican Law (1-17, recommended not required) and more focused 17-42 (read briefly)
- Please read the NAFTA Preamble and Articles 101-102.
- Please also read the following USMCA provisions:

- Protocol Replacing The North American Free Trade Agreement With The Agreement Between The United States Of America, The United Mexican States, And Canada
- Preamble
- Articles 1.1-1.4. We will refer to Definitions section 1.5 throughout the course.
- Protocol of Amendment to the USMA (we will be referring to this document throughout the course)

Mid-Morning and in preparation for speaker in the afternoon:

Topic: Getting to NAFTA, NAFTA overview, Dispute Resolution in NAFTA, and USMCA

Readings:

- Frederick Mayer, Interpreting NAFTA: The Science and Art of Political Analysis, chap. 3 pp. 31-50
- David Gantz, *Post-Uruguay Introduction to International Trade Law in the United States*, 12 Ariz. J. Int'l & Comp. L. 1 (1995), the following excerpts:
 - Introduction to trade law frameworks, pp. 7-27
 - Dispute Resolution, pp. 128- 132
 - Customs and tariffs: pp. 132-149
- David Gantz, Article, *The United States-Mexico-Canada Agreement Overview of "NAFTA 2.0"*

Afternoon readings and exercise:

Topic: Free Trade in Goods in NAFTA: Rule of Origin; Standard Related Mechanisms (Technical Barriers to Trade) and Regulation

Readings will be from Excerpts from Ralph Folsom, Michael Wallace Gordon, and David Gantz, NAFTA and Free Trade in the Americas: Problem Oriented Coursebook (2nd edition) found on Blackboard under Gantz folder.

- Please read pp. 53-75; 88-92
- Review Problem 5.1 (will do in class). For this problem, review p. 101 HTS chart and NAFTA articles 401, 402 (1)-(4), 403, 405 (can be found in the back of the Nutshell book)
- Please read pp. Problem 5.2 on pp. 105-107; 118-136. In class we will review NAFTA Articles 901-905; 906 (1)-(4); 907. We will compare to the USMCA chapter 11 which we will review in class.

Study Questions:

1. What are the pros and cons of international trade?
2. What is the World Trade Organization and how does the multilateral trade system interact with regional trade agreements like the NAFTA or the USMCA? (this will be a topic we will continue to discuss throughout the course)

3. Please identify some similarities and differences among the three NAFTA partners, Canada, US, and Mexico. Consider their histories, political and legal frameworks, cultures, languages, and their relationships with one another.
4. What is the Rule of Origins test and how did it change the trading relationship in North America vis a vis the rest of the world, especially Asia at the time NAFTA was negotiated?
5. What is fast-track authority?
6. What are duties and tariffs?
7. What is most-favored nation principle?
8. Consider the various interest groups participating in the approval of NAFTA. Who were they? What were the issues at play? What was the context and argument for having a North American trade agreement at all? What had changed in the world regarding international commerce?
9. What are technical standards? How do they allow nations to regulate for public safety, environmental, health, and labor?