



To: The Honorable Henry Cuellar
Attention: [REDACTED]

From: [REDACTED], Specialist in International Trade and Finance, x [REDACTED]
[REDACTED], Specialist in International Trade and Finance, x [REDACTED]
[REDACTED], Analyst in International Trade and Finance, x [REDACTED]

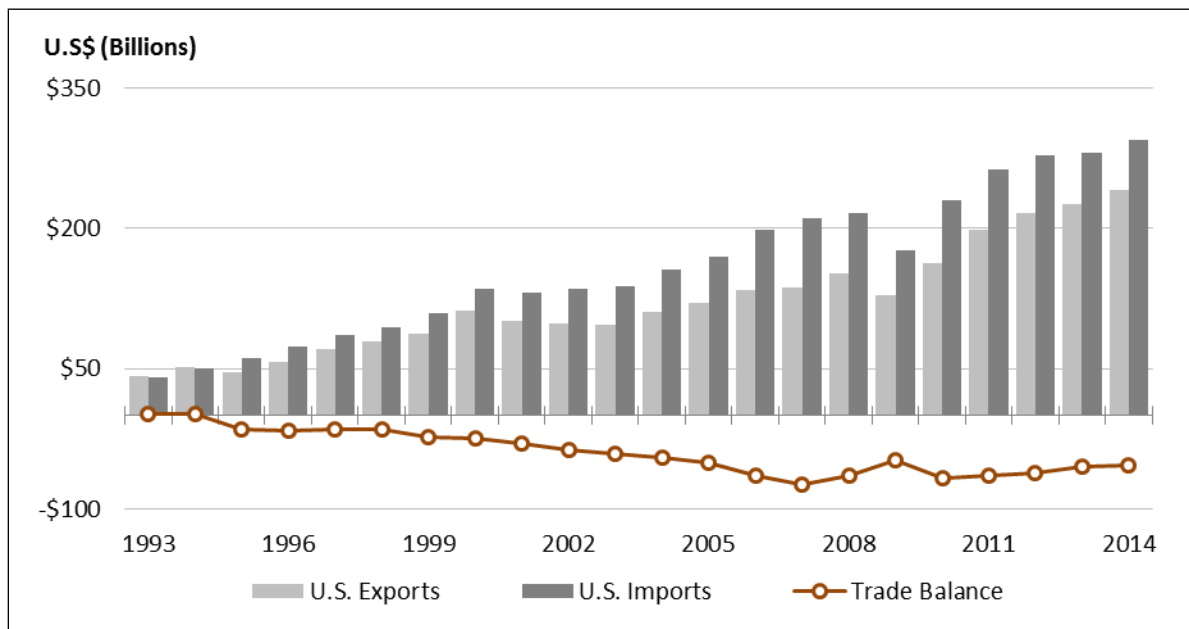
Subject: **TPP Implications for U.S. Trade Relations with Mexico**

This memorandum responds to your request for background information on the economic relationship between the United States and Mexico and the implications of the proposed Trans-Pacific Partnership (TPP) in regard to the North American Free Trade Agreement (NAFTA). The memorandum provides an overview of U.S.-Mexico trade relations and a summary of key TPP provisions that may affect U.S.-Mexico trade relations in the context of NAFTA. The information provided in this memorandum may be used in other CRS products.

Overview of U.S.-Mexico Trade Relations

The bilateral economic relationship with Mexico is of key interest to the United States because of Mexico's proximity, the high volume of trade with Mexico, and the strong cultural and economic ties between the two countries. The United States and Mexico share many common interests related to trade, investment, and regulatory cooperation. The two countries share a 2,000 mile border and have extensive interconnections through the Gulf of Mexico. There are also links through migration, tourism, environmental issues, health concerns, and family and cultural relationships. Mexico is one of the United States' most important trading partners, ranking second among U.S. export markets and third in total U.S. trade (imports plus exports). Under the North American Free Trade Agreement (NAFTA), the United States and Mexico developed significant economic ties. Since NAFTA entered into force, U.S. exports to Mexico increased 478%, from \$41.6 billion in 1993 to \$240.3 billion in 2014. U.S. imports from Mexico increased 637% from \$39.9 billion in 1993 to \$294.2 billion in 2014 (see **Figure 1**). The merchandise trade balance with Mexico went from a surplus of \$1.7 billion in 1993 to a widening deficit that reached a peak of \$74.3 billion in 2007 and then decreased to \$53.8 billion in 2014.

Figure I. U.S. Merchandise Trade with Mexico
(U.S. \$ in billions)



Source: Compiled by CRS using the United States International Trade Commission (USITC) Interactive Tariff and Trade DataWeb at <http://dataweb.usitc.gov>.

TPP Implications for U.S. Trade Relations with Mexico

The Trans-Pacific Partnership (TPP) is a proposed regional free trade agreement (FTA) among the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.¹ TPP negotiations concluded in October 2015, and the agreement has not entered into force. In the United States, TPP's entry into force requires congressional approval and implementation. U.S. negotiators and others describe the TPP as a "comprehensive and high-standard" FTA that aims to liberalize trade in goods, agriculture, and services and establish rules-based commitments beyond those currently established in the World Trade Organization (WTO).² The proposed TPP would likely enhance U.S.-Mexico economic and trade relationship. Mexico has already undertaken significant reform and market opening measures through NAFTA and other unilateral actions. Because nearly all U.S. trade with Mexico is now conducted duty and barrier free, the market opening provisions of the TPP are not something new for the U.S.-Mexico trade relationship and are not expected to bring about many changes. Other provisions, however, would affect the rules governing trade since NAFTA entered into force.

Bilateral Economic Relations

The proposed TPP would likely enhance U.S. bilateral economic relations with Mexico. The United States and Mexico have shared values in their external trade relations and their efforts to lower trade

¹ For the full text of the Trans-Pacific Partnership (TPP), see <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-full-text>.

² See CRS In Focus IF10000, *The Trans-Pacific Partnership (TPP) Agreement*, by Brock R. Williams and Ian F. Fergusson; and CRS Report R44278, *The Trans-Pacific Partnership (TPP): In Brief*, by Ian F. Fergusson, Mark A. McMinimy, and Brock R. Williams.

barriers with the rest of the world. In October 2015, U.S. Under Secretary of Commerce for International Trade Stefan M. Selig visited Mexico City where he met with senior government officials and business leaders to promote the benefits of the TPP. At the conclusion of the visit, Selig stated that the “TPP paves the way for the United States and Mexico to elevate their commercial partnership to new heights under this high-standard, 21st Century trade agreement.”³ The Mexican government views the TPP as an opportunity for the three North American countries to have a unified vision in their trade relations with other countries. In the textile and apparel negotiations, the United States and Mexico submitted a unified proposal for textile and apparel rules of origin. In August 2015, Mexico’s Foreign Minister stated that if the United States and Mexico could see eye to eye on automobiles, they “could also kick-start a new era of North American cooperation.”⁴

Companies in the United States and Mexico together produce goods through an integrated manufacturing sector. The production sharing that has developed since NAFTA strengthened the regional competitiveness of certain industries, such as the automotive and electronic industries. The proposed TPP could provide more opportunities to expand value chains with other TPP countries in the hemisphere, including Canada, Chile, and Peru. Some observers view the TPP as an opportunity to deepen and expand regional supply chain integration, expand North American export opportunities to the Asia-Pacific region, and attract more investors to the United States and Mexico. While the TPP could provide numerous opportunities to enhance integration, the NAFTA region may have to complement the negotiation of FTAs with domestic and regional efforts to boost competitiveness and innovation.⁵

TPP Implications for Trade Rules

Recent U.S. FTAs, including with Colombia, Panama, South Korea, and Peru, have commitments that go beyond NAFTA. If TPP enters into force, Mexico would have to adhere to new trade rules in areas related to trade facilitation, intellectual property rights (IPR), state-owned enterprises (SOEs), as well as stronger and more enforceable labor and environmental provisions.

Customs and Trade Facilitation

Chapter 5 of the TPP agreement includes provisions related to customs administration and trade facilitation.⁶ Commitments in this chapter generally seek to ensure an efficient, timely, and transparent customs process, thereby reducing transaction costs for firms. Given the magnitude and frequency of U.S.-Mexico trade, changes in the customs procedures on either side of the border could have a significant impact on companies engaged in bilateral trade. Some commitments included in TPP are similar to those in NAFTA, and are already in force between the United States and Mexico. There are, however, some ways in which TPP customs commitments go beyond those in NAFTA. These include:

- **Automation.** Requires users must have access to electronic systems, and customs officials must utilize automated systems for risk analysis and targeting. Encourages creation of a single-access window whereby importers and exporters can electronically complete any requirements in one entry point.

³ International Trade Administration, *Under Secretary Selig Highlights Potential Benefits of Trans-Pacific Partnership for U.S.-Mexico Trade Relationship*, Press Release, October 14, 2015.

⁴ John Ibbitson, "TPP Trade Deal Would Reignite North American Co-Operation: Mexican Minister," *The Globe and Mail*, August 21, 2015.

⁵ Christopher Wilson, "The Impact of TPP on Latin America and U.S. Relations with the Region," The Wilson Center, November 23, 2015.

⁶ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Customs-Administration-and-Trade-Facilitation.pdf>.

- **Advance Rulings.** Requires advance rulings to be issued within 150 days of receipt by the customs authority, and will remain in effect for at least three years.
- **Advice/Information.** Requires parties to provide an expeditious response to requests for information regarding issues such as quotas, country of origin markings, and eligibility requirements for repaired and altered goods.
- **Express Shipments.** Requires special customs procedures for express shipments, including release within six hours, minimum documentation, and submission and processing of information prior to arrival of shipments. Requires a *de minimis* threshold of an unspecified amount below which goods are not subject to customs duties.
- **Penalties.** Places parameters on penalties imposed by a customs administration. Such penalties may be imposed only to the person legally responsible for the breach of law, must be commensurate with the degree and severity of the breach, must be accompanied by an explanation in writing, and proceedings must be initiated within a fixed and finite time period.
- **Release of Goods.** Requires customs authorities to release goods within 48 hours to the extent possible, and provide for submission and processing of information pre-arrival.
- **Publication.** Requires parties must make customs laws publically available, including online.

From the Draft NAFTA Notification document:

- “Seek to have the NAFTA countries improve upon their WTO trade facilitation commitments, including rules requiring that each NAFTA country conducts its customs operations with transparency, efficiency, and predictability, and that customs laws, regulations, decisions, and rulings are not applied in a manner that would create unwarranted procedural obstacles to international trade.”
- “Seek to establish consultative mechanisms and other commitments, as appropriate, to improve regulatory practices and promote increased regulatory coherence, including through increased transparency, elimination of redundancies in testing and certification, early consultations on significant regulations, the periodic review of existing regulatory measure, and the application of good regulatory practices.”

Sanitary and Phytosanitary Standards (SPS)

Sanitary and phytosanitary standards refer to commitments relating to human health and animal/plant safety in the trade of agriculture products. The TPP SPS chapter (Chapter 7) goes beyond both NAFTA and WTO commitments on SPS with new provisions to promote science-based and transparent regulatory activities, including the use of risk analysis to improve the scientific basis of SPS regulation; a requirement to notify importers or exporters of shipments detained for SPS issues; a consultative mechanism to seek quick resolution of such detentions; and the right of an importing party to audit the exporting party’s authorities and inspection systems.⁷

From the Draft NAFTA Notification document:

⁷ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Sanitary-and-Phytosanitary-Measures.pdf>.

- “Seek to secure more open and equitable market access for agricultural products through robust rules on SPS measures and eliminate any SPS restrictions that are not based on science.”
- “Seek to strengthen cooperation between U.S. and NAFTA countries’ SPS authorities.”

State-Owned Enterprises

The TPP includes a chapter on SOEs (Chapter 17) with provisions regarding activities that affect trade or investment that go beyond commitments in any previous U.S. FTA.⁸ NAFTA includes provisions on state enterprises, but they are limited in scope. TPP’s SOE provisions address potential commercial disadvantages to private sector firms from state-supported competitors receiving preferential treatment. These provisions could potentially impact U.S. companies competing with Mexican and other TPP country SOEs anywhere in the world, including in non-TPP markets. As with several chapters of the TPP agreement, the potential impact of the SOE commitments depends both on the provisions in the text and each country’s sometimes extensive list of excepted firms or practices. These provisions would be enforceable through the TPP’s state-state dispute settlement mechanism such that an aggrieved party’s government would have to pursue any claim of violation of these commitments. Provisions include:

- **Definition.** Covers designated monopolies and SOEs principally engaged in commercial activities if the government owns more than 50% of capital share, controls more than 50% of voting rights, or selects a majority of board members.
- **Disciplines.** Provides transparency and reporting requirements that aim to ensure SOEs make purchase and sale decisions in a nondiscriminatory manner and on the basis of commercial considerations. Prohibits noncommercial assistance to SOEs that adversely impacts another TPP party. Requires TPP country courts to have jurisdiction over foreign SOEs operating in their territory and administrative bodies to regulate in an impartial manner with regard to SOEs and private firms.
- **Exceptions.** Generally excludes firms below a certain revenue threshold, and specifically exempts Mexican electric and natural resource firms (Electricity Commission, Pemex, and Cenegas), and Mexican financial institutions (Banobras, Bansefi, Banjercito, Nacional Financiera, and SHF) from certain provisions.

From the Draft NAFTA Notification document:

- “Seek commitments to eliminate or prevent trade distortions and unfair competition favoring state-owned and state-controlled enterprises to the extent of their engagement in commercial activity.”
- “Seek commitments to ensure that state-owned enterprises engaging in commercial activity do so on the basis of commercial considerations, in particular through disciplines that eliminate or prevent discrimination and market-distorting subsidies.”
- “Seek commitments that ensure transparency in the level of ownership, control, and support of state-owned enterprises.”

⁸ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-State-Owned-Enterprises-and-Designated-Monopolies.pdf>.

E-Commerce, Data Flows, and Data Localization

The role of the Internet in international commerce has expanded dramatically since NAFTA's implementation over 20 years ago. While technological advancements have fundamentally changed how firms trade and do business across international borders, some companies argue that new barriers have also emerged, which existing trade rules often fail to address. TPP provisions aim to address some of these barriers.⁹ For example, the TPP would require parties of the agreement to allow cross-border transfer of information by electronic means, and would prohibit forced localization of data centers, with some exceptions. Such provisions would allow U.S. firms with operations in Mexico flexibility in where they process and store data relevant to their business.

From the Draft NAFTA Notification document:

- “Seek commitments from the NAFTA countries not to impose customs duties on digital products or unjustifiably discriminate among products delivered electronically.”
- “Seek to ensure that the NAFTA countries refrain from implementing measure that impede digital trade in goods and services, restrict cross-border data flows, or require local storage or processing of data, including with respect to financial services, and that where legitimate policy objectives require domestic regulations that may affect such trade or flows, obtain commitments that any domestic regulations are the least trade restrictive, non-discriminatory, and transparent, and promote an open market environment.”

Intellectual Property Rights (IPR)

NAFTA was the first free trade agreement to contain an IPR chapter. The World Trade Organization's (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement that came into effect a year later was modeled after the NAFTA IPR chapter. The chapter also predated widespread use of the internet. Since NAFTA, IPR provisions in U.S. FTAs have evolved in several ways. TPP's Chapter on Intellectual Property (Chapter 18) reflects those changes in provisions on copyright in the digital environment, additional patent protections for pharmaceuticals, and enforcement, among other issues.¹⁰ Some provisions that have changed since NAFTA include:

- Changes in copyright terms from author's life plus 50 years in NAFTA to author's life plus 70 years in the TPP.
- Requirement for countries to use only non-infringing software programs in central government agencies.
- Additional protections for copyrights in the digital environment. These provisions did not appear in NAFTA.
 - Incorporation of safe-harbor immunity for copyright liability for Internet Service Provider (ISP) liability adopting “notice and takedown procedures.
 - Prohibition of the circumvention of technological protection measures.

From the Draft NAFTA Notification document:

⁹ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Electronic-Commerce.pdf>.

¹⁰ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Intellectual-Property.pdf>.

- “Seek to establish standards to be applied in NAFTA countries that build on the foundations established in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and other international intellectual property agreements, such as the World Intellectual Property Organization (WIPO) Copyright Treaty, the WIPO Performances and Phonograms Treaty, and the Patent Cooperation Treaty;
- Seek to secure fair, equitable, and nondiscriminatory market access opportunities for U.S. persons that rely on intellectual property protection.”
- The proposed TPP would require additional patent protection for pharmaceuticals that were largely absent in NAFTA.
 - **Data exclusivity.** TPP would prevent a generic manufacturer from relying on test data generated by the patent holder in order to obtain marketing approval for a generic drug for at least five years. NAFTA provided a similar period of exclusivity. TPP also provides for an additional three years for new clinical information for an existing drug covering a new indication, formulation, or method of administration.
 - **Patent term adjustment.** Requirement for a party to extend patent protection for “unreasonable”¹¹ (patent office or marketing approval delays). NAFTA allowed parties to extend this protection, but did not require it.
 - **Patent Linkage.** Requirement that TPP parties provide a system to preclude the issuance of marketing approval to a generic equivalent product subject to a patent claim on the original product. There is no analogous provision in NAFTA.
 - **Biologics.** TPP is the first FTA to address the issue of biologic pharmaceuticals. It would provide a data exclusivity period of eight years or five years in conjunction with additional periods to achieve a “comparable market outcome.”
- The TPP would provide additional enforcement requirements than those of NAFTA.
 - Requirement of criminal penalties for trade secret theft. NAFTA was the first international accord to recognize and obligation to protect trade secrets, but it did not require criminal penalties for their unauthorized access.
 - Provisions for customs agents to have *ex officio* authority to seize counterfeit and pirated goods, meaning that agents do not have to wait for a court order to do so. Under NAFTA, each country provided procedures to allow rights holders to petition authorities to prevent the release of goods.
 - Requirements for countries to provide criminal penalties for copyright and trademark infringement in the digital environment.

From the Draft NAFTA Notification document:

- “Where appropriate, seek commitments from the NAFTA countries to strengthen their laws and procedures on enforcement of intellectual property rights, such as by ensuring that their authorities have authority to seize and destroy pirated and counterfeit goods, equipment used to make such goods, and documentary evidence.”
- “Seek commitments from the NAFTA countries to: (1) strengthen their measures that provide for compensation of right holders for infringements of

¹¹ defined as more than 5 years from filing date of application in party’s territory or 3 years after a request for examining the application has been made (whichever later).

intellectual property rights, and (2) provide for criminal penalties under their respective laws that are sufficient to have a deterrent effect on piracy and counterfeiting.”

Investment

Both the proposed TPP and NAFTA contain investment chapters that reflect the 2012 model U.S. Bilateral Investment Treaty (BIT). However, in the time between NAFTA and TPP, the language of the model BIT has evolved through subsequent iterations in 1994, 2004, and 2012.¹² The TPP Investment Chapter (Chapter 9) largely reflects the 2012 model BIT, including substantive protections for private investors and investments against discriminatory, unfair, and arbitrary treatment by host governments and recourse to investor-state dispute settlement (ISDS) for binding arbitration of investors’ claims against host countries for violations of these obligations.¹³ Additionally, it contains some new provisions, including:

From the Draft NAFTA Notification document:

- “Seek to establish rules that reduce or eliminate artificial or trade-distorting barriers to U.S. investment in the NAFTA countries.”
- Maintain and seek to improve procedures to resolve disputes between U.S. investors and the NAFTA countries through, among other things, mechanisms to deter the filing of and eliminate frivolous claims; procedures to ensure the efficient selection of arbitrators and the expeditious disposition of claims; and procedures to ensure transparency and public participation in dispute settlement proceedings.”
- Affirmation that a government has the right to regulate for health, environmental, and other regulatory chapters, as long as the action taken is otherwise consistent with the chapter.
- A “frustration of expectation” clause that states that a Party’s action or inaction that may be inconsistent with an investor’s expectation does not alone constitute a breach of the minimum standard of treatment provision.
- Carve-out of challenges to tobacco control measures in the investor-state dispute settlement mechanism, which would prevent tobacco companies from challenging certain tobacco control measures.
- A code of conduct for arbitrators selected to serve on investor-state dispute settlement (ISDS) panels to address perceptions of conflict of interest.
- Disputes concerning investments in financial services are subject to ISDS.

As in NAFTA, the exploration and production of oil and other hydrocarbons is exempted from investment provisions and market access commitments. However, the TPP allows firms to bid on contracts to provide services to the sector.

¹² For more information on these changes, see CRS Report R43052, *U.S. International Investment Agreements: Issues for Congress*, by Shayerah Ilias Akhtar, and Martin A. Weiss.

¹³ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Investment.pdf>.

Automotive Rules of Origin

Both NAFTA and TPP have market opening provisions related to the automotive industry. NAFTA phased out Mexico's restrictive auto decree and opened the Mexican auto sector to foreign investment from the United States. The elimination of Mexican trade barriers liberalized North American auto trade and was instrumental in the integration of the North American auto industry. NAFTA phased out all U.S. tariffs on imports from Mexico and Mexican tariffs on U.S. and Canadian products as long as they met the rules of origin requirements of 62.5% content for autos, light trucks, engines and transmissions; and 60% for all other vehicles and automotive parts. The TPP would lower the rules of origin for autos and light trucks to 45% to 55%, respectively, depending on the method of calculation, and 35% to 45%, respectively, for auto and light truck parts.¹⁴ Mexico sought higher rules of origin requirements in the TPP negotiations. The lower content rule of 45% could open the U.S. market to lower-cost suppliers in Asia, which would likely have an adverse impact on Mexican auto and auto parts producers. The head of the association representing Mexican auto companies, however, announced in October that his group was "comfortable" with the 45% content requirement, even though North American automakers had previously pressed for 50%.¹⁵

From the Draft NAFTA Notification document:

- "Seek rules of origin that ensure that the Agreement supports production and jobs in the United States, procedures for applying these rules, and provisions to address circumvention that ensure that preferential duty rates under the agreement apply only to goods eligible to receive such treatment, without creating unnecessary obstacles to trade."

Labor

Chapter 19 of the TPP includes provisions related to labor.¹⁶ The TPP would hold Mexico to more enforceable labor provisions than NAFTA. NAFTA marked the first time that worker rights provisions were associated with an FTA. NAFTA labor provisions were negotiated after the main text of the agreement was completed and were included in a separate side agreement to NAFTA on labor cooperation. It included provisions to address a party's failure to enforce its own labor laws and a dispute settlement process for labor issues.¹⁷ Although NAFTA's labor provisions are not as strong as those in more recent FTAs, many observers viewed NAFTA as an opportunity for cooperating on labor matters across the border and for establishing a new type of relationship among NAFTA partners.¹⁸

The proposed TPP would require countries to adopt and not derogate from laws consistent with core internationally recognized worker rights, including freedom of association and elimination of forced labor, child labor and employment discrimination in matters related to trade and investment.¹⁹ TPP labor provisions are in the text of the agreement and, in contrast to NAFTA, subject to the same dispute settlement mechanism, including potential trade sanctions, that applies to other chapters of the TPP.

¹⁴ TPP rules of origin for autos and auto parts are in Appendix 1 to Annex 3-D. For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Annex-3-A-Appendix-1-Automotive.pdf>.

¹⁵ "Mexican Automakers Support TPP Vehicle ROO; Say It Won't Weaken NAFTA," *World Trade Online*, October 8, 2015.

¹⁶ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Labour.pdf>.

¹⁷ The North American Agreement on Labor Cooperation (NAALC) was negotiated by President William Clinton shortly after he began his presidency in January 1993.

¹⁸ Woodrow Wilson International Center for Scholars, *NAFTA at 10: Progress, Potential, and Precedents*, pp. 20-30.

¹⁹ CRS In Focus IF10046, *Worker Rights Provisions in Free Trade Agreements (FTAs)*, by Mary Jane Bolle and Ian F. Fergusson.

From the Draft NAFTA Notification document:

- “Consistent with U.S. priorities and objectives, seek a commitment by the NAFTA countries to adopt and maintain measures implementing internationally recognized labor rights and effectively enforce their respective labor laws concerning those rights.”
- “Seek to improve mechanisms for consultations and cooperation to strengthen the capacity of the NAFTA parties to promote respect for internationally recognized labor rights, including those embodied in the ILO Declaration on Fundamental Principles and Rights at Work and ILO Convention 182 on the Worst Forms of Child Labor, and to effectively enforce their respective labor laws.”

The United States concluded additional bilateral labor implementation plans with three TPP countries, Vietnam, Malaysia, and Brunei, to ensure that their laws and practices are consistent with international standards. Mexico is reportedly developing labor reforms independent of the TPP to address concerns raised by organized labor.²⁰ According to the USTR, Mexico has agreed to develop “parallel reforms” to make its labor laws consistent with TPP labor provisions in protecting collective bargaining and reforming its system for administering labor justice.²¹ An area of cooperation with the United States may be Mexico’s use of so-called “protection contracts” and reported corruption in its conciliation and arbitration boards.²² U.S. labor groups contend that Mexico’s protection contracts are a type of collective bargaining agreement (CAB) prominent in Mexico that are negotiated by employer-dominated unions. Critics contend that they deprive workers of their right to bargain over wages and benefits. While the CABs are meant to address labor complaints and enforce labor laws, labor union critics contend that workers often find delays demands for bribes, and a lack of transparency.²³

Environment

Chapter 20 of the TPP includes provisions related to the environment.²⁴ The TPP would hold Mexico to more enforceable environmental provisions than NAFTA. TPP environmental provisions are in the text of the agreement and, in contrast to NAFTA, subject to the same dispute settlement mechanism, including potential trade sanctions, that applies to other chapters of the TPP. NAFTA environmental provisions were negotiated after the main text of the agreement was completed and were included in a separate side agreement to NAFTA on environmental cooperation. The side agreement included a list of World Trade Organization (WTO) international environmental treaties, known as multilateral environmental agreements (MEAs), whose provisions generally would supersede NAFTA’s in the event of conflict. The environmental side agreement contained 10 objectives on environmental cooperation in matters affecting trade, technical assistance, and capacity building, and included a dispute settlement arrangement distinct from NAFTA that could levy a monetary assessment, with the suspension of trade benefits as a last resort.

The proposed TPP would require TPP parties to enforce and not derogate from their environmental laws to attract trade and investment, implement specified MEAs they have joined, and prohibit certain fishing subsidies, among other provisions. The TPP would also provide a means for closer U.S. cooperation with Mexico and other TPP countries to address trans-national threats and police environmental crimes such as

²⁰ “U.S., Mexico Continue Discussing Labor Reforms after TPP Conclusion,” *World Trade Online*, October 8, 2015.

²¹ For more information, see <https://medium.com/the-trans-pacific-partnership/labour-66e8e6f4e8d5#.qbrdwn6pn>.

²² “U.S., Mexico Continue Discussing Labor Reforms after TPP Conclusion,” *World Trade Online*, October 8, 2015.

²³ *Ibid.*

²⁴ For the full text, see <https://ustr.gov/sites/default/files/TPP-Final-Text-Environment.pdf>.

endangered species trade and illegal fishing; create more enforceable commitments by Mexico to enforce its environmental laws, and support inclusive and transparent policymaking in the future through rules requiring publication of laws and regulations, and through promoting broad public participation in policymaking and the TPP implementation.²⁵

From the Draft NAFTA Notification document:

- “Consistent with U.S. priorities and objectives, seek appropriate commitments by the NAFTA countries to effectively enforce their environmental laws and undertake implementation of applicable multilateral environmental agreements.”
- “Seek to improve mechanisms, including those for consultations and cooperation to work with the NAFTA countries, with a view to promoting sustainable development and addressing environmental issues of mutual interest, and as appropriate helping strengthen their capacity to protect the environment.”
- “Seek to eliminate fisheries subsidies that distort trade, including subsidies that contribute to overcapacity and over-fishing; pursue transparency in fisheries subsidies programs; and address illegal, unreported, and unregulated fishing.”
- “Seek enforceable environmental obligations within the body of the agreement that are subject to the same dispute settlement and remedies as other enforceable obligations.”

²⁵ For the full text, see <https://ustr.gov/sites/default/files/TPP-Chapter-Summary-Environment.pdf>.
