



**THE 4th ANNUAL NORTH AMERICAN PROCESS SYMPOSIUM:
*INTENT, REALITY, AND FUTURE OF THE NORTH AMERICAN
FREE TRADE AGREEMENT***

A WORKING SYMPOSIUM

**OCTOBER 5-7, 2017
PUEBLA, MEXICO**

POLICY RECOMMENDATIONS

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Policy Recommendations from The 4TH Annual North American Process Symposium: *Intent, Reality, and Future of the North American Free Trade Agreement* Puebla, Mexico; October 5th - 7th, 2017

To remain competitive, North America critically needs an updated North American trade treaty that reflects the new economic landscape of globalized supply chains, liberalized energy markets, the digital economy and the need for a skilled and mobile workforce. Furthermore, policy, business and civic leaders need to address how to best communicate the benefits of free trade to a public that is increasingly hostile to free trade.

In October 2017, the 4th Annual North American Process Symposium brought together business leaders, government officials, members of academia and the civil sector from Canada, Mexico, and the United States in Puebla, Mexico to address NAFTA's impact and present and future challenges. Through a series of working groups and plenary sessions, symposium participants discussed NAFTA's current status and the policy and public perception challenges that the treaty faces. Through six working groups, participants developed a series of specific policy recommendations to update and improve NAFTA to reflect economic and geo-political conditions that have shifted since its initial ratification. The working groups also addressed the positive and negative externalities associated with free trade, especially the treaty's public perception challenges.

The recommendations in this document reflect valuable insights developed by policy makers, business leaders, and academicians who gathered at the fourth annual North American Process Symposium. The goal of these recommendations is to develop a more efficient, resourceful and competitive North America. These combined insights contribute to the discussion about how to best improve North American trade and provide important policy recommendations for future trade and economic policy that can be implemented in Canada, Mexico and the United States at the national and local level.

Working group A1: Digital economy Facilitator: Paul Beaudry

1. Form a working group on the digital economy to monitor technological change and its implications on NAFTA.
2. Include provisions in "NAFTA 2.0" that indicate and reinforce "no double taxation" on e-commerce platforms, while simultaneously ensuring that there are mechanisms in place that guarantee all companies pay their fair share of taxes.
3. Ensure that occupations covered under temporary business entry under the "professionals"

category include occupations relating to the digital economy that have emerged since NAFTA was originally created. These categories should be updated regularly by all partner-nations in order to accommodate for newly created professions.

Working group A2: Integrated Industries **Facilitators: Fausto López & Juan Ciscomani**

North American regional integration has been successful for the last 23 years, and it was one of the original objectives of NAFTA. Despite this progress, however, new challenges are facing the region in the short- and long-term. The following recommendations are crucial to maintaining and improving NAFTA's relevance in commerce integration:

1. Optimize current industry clusters established in all the three countries by:
 - a. Promoting continued tri-national industry integration
 - b. Focusing on the improvement and expansion of trade instead of imposing further regulations
 - c. Creating promotional agencies to grow vendor procurement and bring new investments to existing and future clusters
2. Improve logistical infrastructure
 - a. Reinforce security, improve communication, and continue processes such as Customs and Trade Partnership Against Terrorism (CTPAT) & Operador Económico Autorizado (OEA).
 - b. Harmonize customs procedures across all the three countries to bolster speed, data tracking and management efforts
 - c. Optimize transport within the region
 - d. Promote the use of the aerospace industry in the movement of goods
3. Reinforce trade literacy within the region
 - a. Increase foreign educational trade opportunities for professionals, students and technical workers.
 - b. Encourage private institutions, universities and chambers of commerce to contribute towards educating people in foreign trade regulations and compliance with NAFTA and other FTA rules.

Working group A3: Intellectual Property **Facilitator: Mauricio Jalife**

1. Create a trademark protection multinational system, such as the one existing in the European Union (Community Trademark), that can validate a single trademark registration within all three countries. This validation can stimulate commerce amongst member nations and with present and future foreign investors.

2. Create common offices for the pre-validation of foreign trade operations specializing in Intellectual Property rights. These offices can improve the efficiency of anti-piracy filters, and elevate trans-border merchandise transit by pre-determining products as “parallel imports.” The improvement of these detection systems will have an immediate impact on present corruption problems, which exist due to discretionary management practices.
3. Institute control mechanisms for websites that are illegally trafficking within present Intellectual Property right laws, and create effective measures to suspend access for non-compliance.
4. Open the regulatory process to “non-traditional trademarks” to encourage the protection corporate creativity through sound, tactile, dynamic and olfactory trademarks.
5. Create patents for business models to protect businesses, financiers, insurers and internet transactions and activities across all three nations. A consolidated patent system can create new and effective means to promote and protect business innovations.

Working group B: Energy
Facilitator: Alejandro Amerena

Create and modify regulations and standards to incentivize investments, legal certainty, and the circulation of goods, services and certified labor for the energy sector.

1. Continue fostering work with public and private institutions to help adopt standards for power reliability and security amongst regulators, ISOs, utilities and other federal and local authorities.
2. Keep improving energy information platforms with private and local stakeholders in order to better guide investors and informed decision making on energy projects.
3. Add value to the mid and downstream oil, gas and petrochemical industries by rapidly implementing liberalization opportunities to existing production chains.
4. Focus power sector research and innovation efforts on energy storage and smart grids. This is important because present technical solutions to large-scale intermittent technologies are in contrast with other base-load sources, which can be a risk to energy competitiveness and security.

Working group C: Documented Migration Facilitators: Evelyn Cruz & Eric Rojo

1. Expand categories under NAFTA's temporary entry provisions to include movement of labor for workers that are not in professional circles. This should be done because of the reality that trade and the tri-national economies require different types of workers, professionals and laborers, because economies are not supported exclusively by professionals with formal education.
2. Create orderly documentation processes and permit the free flow of labor between all three partners through standardized business visa labor requirements.
3. All three countries should reach an agreement to repatriate specific wages to appropriate agencies in the guest worker's country of origin. For example, income and social security tax dollars should be transferred to the worker's country of origin to properly document and protect the worker's ability to benefit from their nation's retirement funds and social security systems.
4. Educational institutions and governmental authorities should embrace, support, and engage in the further creation of bi-national degrees, licensing, and employment pipelines to better facilitate regional growth.
5. The validated needs of the private sector must be the driving force for the measurement of the structure of labor mobility, not political and bureaucratic factors. Moreover, all labor contracts should be properly vetted to avoid abuse.
6. A consequence of a lawful and properly managed circular migration system could be enhanced border security, as supply and demand of labor will be met by the inclusion of Documented Migration as part of the new treaty.

Working group D: Communicating benefits of Free Trade Facilitators: Agustin Barrios Gomez

Globalization makes further North American integration inevitable, and will also offer new economic opportunities. Our goal, therefore, is to build support for further NA integration.

1. Rather than tweaking NAFTA, we propose an ambitious reimagining of North American integration. This strategy will reframe the discussion around NAFTA. NAFTA will take on a new name that focuses on the positive implications created by free trade in NA.

2. Reimagining efforts will target stakeholders in: the private sector, employees working in jobs relying on NAFTA, consumers (of all generations), federal, state, provincial, and municipal governments in all three countries, and communities that stand to benefit from further integration.
3. Tailored messages should reach each stakeholder group. The rebranding should highlight economic and community group benefits. The new message behind NAFTA should be both emotional and rational. The sales pitch could be improved through branding such as ‘freedom to trade’ (rather than free trade) and using a hashtag like #abetterNA.
4. All governments should commit to the consistent public and private funding efforts that promote NAFTA and provide a better understanding of the long-term benefits of the trade agreement.