



CSI MEMBER DELEGATION TO ATTEND NAFTA ROUND 5 NEGOTIATIONS

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CSI attends NAFTA round 5 negotiations, highlighting services sector benefits of NAFTA and risks of withdrawal.

Mexico City, MX (November 17, 2017) — The Coalition of Services Industries (CSI) will be attending the fifth round of negotiations of the North American Free Trade Agreement (NAFTA) in Mexico City to highlight the importance of preserving NAFTA and expanding NAFTA benefits to U.S. services industries.

“NAFTA continues to be a remarkable success for U.S. services providers,” said CSI President Christine Bliss. “NAFTA has created vast market access for U.S. services providers, including cross-border services, new opportunities for government procurement contracts in NAFTA countries, and new market access for a wide range of services providers, such as telecommunications and financial services.”

CSI commends the positive progress that U.S. negotiators are making to modernize the agreement, which includes proposing “TPP Plus” digital trade rules that strengthen provisions on data flows, source code, and cybersecurity, providing provisions on non-intellectual property intermediary liability, and extending data localization provisions to financial services. The United States is also proposing strong commitments on electronic payment services, express delivery and distribution services as well as streamlined customs procedures, increased customs *de minimis* levels, and securing market access reforms in telecommunications.

CSI remains concerned over a number of U.S. proposals that have been tabled. These proposals include proposed limits on access to the U.S. government procurement market, possible termination of the agreement after five years under a “sunset provision”, new U.S.-only content rule of origin requirements, limits on dispute settlement provisions, and other proposals that could undermine prospects for a successful agreement and potentially lead to a U.S. withdrawal from NAFTA. For example, new restrictions on access to the U.S. procurement market could risk loss or reduction of U.S. access to NAFTA partner markets, which would be a huge loss for American services firms that have been major winners in NAFTA government procurement markets. For example, four out of five of all Mexican government employees are insured by a U.S. services supplier, while other U.S. firms also supply pensions and auto insurance to the Mexican government.

If NAFTA negotiations do not achieve high-standard outcomes in services and digital trade, and the United States withdraws from NAFTA, the United States risks losing \$88 billion in annual U.S. services exports to Canada and Mexico, which support 587,000 high-paying American jobs, as well as a \$25.3 billion services trade surplus with Canada and \$8.7 billion services trade surplus with Mexico. CSI and its members continue to work with the Administration to ensure a winning, modernized NAFTA is achieved, furthering the success of the American services sector in the North American region and continued growth of the U.S. economy.

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The Coalition of Services Industries (CSI) represents the interests of the dynamic American service economy, which employs over 75% of the workforce and generates 80% of national economic output. Since 1982, CSI has created greater public awareness of the major role services play in the U.S. economy, and it has shaped domestic and international economic policies on behalf of the services sector. The broad range of the U.S. service economy is reflected in CSI's membership, which includes major international companies from the banking, insurance, telecommunications, information technology, logistics and express delivery, audiovisual, retail, and other service industries. CSI members conduct business in all 50 states and in more than 100 countries.

