

RR
06/20/2019
Item No. _____

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.

RESOLUTION

OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO SUPPORTING THE UNITED STATES – MEXICO – CANADA AGREEMENT (USMCA), AN UPDATE TO THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA).

WHEREAS, the North American Free Trade Agreement (“NAFTA”), the original treaty between the United States, Canada, and Mexico has been in effect since January 1, 1994; and

WHEREAS, San Antonio hosted U.S. President George Bush, Mexican President Carlos Salinas de Gortari and Canadian Prime Minister Brian Mulroney to sign NAFTA in 1992; and

WHEREAS, Mexico and Canada are the top two export destinations for U.S. small and medium enterprise goods, 82,000 U.S. small and medium sized businesses exported \$51.2 billion in goods to Canada, and 53,000 U.S. small and medium businesses exported \$76.2 billion in goods to Mexico; and

WHEREAS, Mexico is the first or second export destination for 26 U.S. states, with many of these goods traveling through San Antonio; and

WHEREAS, according to an economic study, NAFTA has played a significant role in boosting the local economy by creating 63,204 direct jobs with incomes of about \$3.8 billion, adding \$10.6 billion in gross regional product and generating \$20.5 billion in output; and

WHEREAS, over 1,500 San Antonio businesses export goods and San Antonio averages \$2.2 billion in exports to Canada and \$1.9 billion in exports to Mexico; and

WHEREAS, San Antonio is home to the North American Development Bank (“NADBank”), facilitated by passage of NAFTA, responsible for providing financing to support development and implementation of environmental infrastructure projects that help preserve, protect and enhance the environment of the border region; and

WHEREAS, San Antonio has historically and continues to support free trade and maintains a trade office in Mexico City (CASA San Antonio) and two formal Sister Cities in Mexico, Monterrey and Guadalajara; and

WHEREAS, Canada and Mexico are key components of San Antonio’s international economic development strategy to increase foreign direct investment, exports, and global collaborations; and

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WHEREAS, on May 18, 2017, the United States engaged Mexico and Canada in the renegotiation of NAFTA terms, seeking to support higher-paying jobs in the United States and a growth in the U.S. economy by improving opportunities for trade with Mexico and Canada; and

WHEREAS, preliminary terms for an agreement were reached by trade negotiators from all three NAFTA countries on October 1, 2018; and

WHEREAS, on November 30, 2018, leaders of the United States, Mexico and Canada signed the United States – Mexico – Canada Agreement (“USMCA”) during a meeting of the G-20 Summit in Buenos Aires, Argentina; and

WHEREAS, the USMCA includes preserving the integration of the North American economy, providing certainty, and ensuring duty-free market access while modernizing 23 chapters of the original NAFTA agreement, impacting industries important to San Antonio, including agriculture, automotive manufacturing, energy, logistics and retail; and

WHEREAS, the USMCA adds 11 new chapters, notably relating to small and medium-sized enterprises, labor, the environment, and digital trade; and

WHEREAS, the U.S. Congress will have 90 days to consider ratification of the USMCA following its presentation to the congress. Once ratified by the legislatures of the United States, Mexico and Canada, the USMCA can be implemented no sooner than three months from the date of the last country's notice; and

WHEREAS, for the reasons listed above, it is now necessary for the City Council to act upon this resolution of support; **NOW THEREFORE:**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. To encourage Congressional action, the City Council of the City of San Antonio expresses its support for the USMCA due to the positive economic impact the multinational trade agreement will have on the local economy.

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Passed and approved on this _____ day of June, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

DRAFT