**Manufacturers Need Certainty Now, and Into the Future**

By Daryl Adams and Jeff Metts

Michigan’s manufacturing industry has always been an essential part of the industrial U.S., producing U.S.-made products and contributing enormously to the state and country’s economy. While U.S. manufacturing may look quite different than during the Industrial Revolution – or when Henry Ford rolled the first Model T off the assembly line in the Motor City – it remains critically important to this county’s livelihood.

Free trade is the backbone of Michigan’s manufacturing sector, helping the Great Lakes state grow and sell more of what we make to customers around the globe. More exports mean more sales to other countries, which lead to better-paying jobs and a stronger economy throughout the state.

There are no more important trading partners in ensuring our prosperity than our neighbors to the north and south. Canada and Mexico are the biggest markets for U.S. exports in the world. According to [new state data](https://www.nam.org/wp-content/uploads/2019/05/IEAP.USMCA_.FactSheets.Michigan.pdf) from the National Association of Manufacturers, they purchase more of Michigan’s total global manufacturing exports than the rest of the world combined. In fact, last year, our state exported $55 billion in goods globally, with $34 billion going to Canada and Mexico. All of that is now on the line.

As manufacturers ourselves, our ability to sell our products to Canada and Mexico is directly tied to tariff-free and rules-based trade that is embodied by the United States-Mexico-Canada Agreement (USMCA), which would replace the North American Free Trade Agreement (NAFTA). Collectively, Canada and Mexico purchase more from the United States than our next 11 trading partners combined—despite representing less than four percent of the global economy. These two countries also support 2 million manufacturing jobs nationwide.

Without tariff-free trade across North America guaranteed by the USMCA, however, Michigan’s manufactured goods exported to Canada and Mexico could face a minimum of $1 billion to $5.2 billion in extra taxes. Taxes like that could cripple many Michigan companies.

At a time when Michigan manufacturers are making an economic comeback, these ramifications are unacceptable. We could lose sales as competitors from Europe and Asia swoop in and take our place. More broadly, any loss in trade with Canada and Mexico would result in less manufacturing production and fewer well-paying jobs across the state, and the United States.

We agree NAFTA needs to be reformed and modernized. In the more than 25 years since the United States, Canada and Mexico struck the deal, manufacturing output in the United States has more than doubled, exports to Canada and Mexico have tripled and our economy has changed significantly.

Fortunately, the USMCA addresses many of the elements of NAFTA that haven’t kept pace with the times and will ensure a level playing field for U.S. manufacturers across North America.

Importantly, the agreement includes positive provisions to strengthen the protection and enforcement of intellectual property, expands the disciplines on anticompetitive behaviors by state-owned enterprises, improves rules to remove unfair trade barriers and enhances anti-corruption punishments.

Several months after the leaders of the U.S., Canada and Mexico signed the agreement, the USMCA awaits congressional approval. Without congressional action, the future of our businesses—and so many others across Michigan and the nation—are on the line.

We urge Congress to swiftly ratify the USMCA. The entire manufacturing industry relies on tariff-free, rules-based trade with Canada and Mexico—and our country depends upon the success of the sector. Manufacturers need certainty right now, and into the future.

*Note to the editor: Daryl Adams is the president and chief executive officer of Spartan Motors headquartered in Charlotte, Michigan, and Jeff Metts is the president of Dowding Industries Inc. headquartered in Eaton Rapids, Michigan.*