

September 17, 2018

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

We commend your efforts to negotiate a modernized North American Free Trade Agreement (NAFTA), and we share your goals to support American workers and families by increasing jobs and enhancing the competitiveness of businesses across the United States. Furthermore, we applaud the constructive work done in the understandings so far with Mexico to improve NAFTA in ways that expand trade, reduce trade barriers, and maximize economic opportunities.

As the negotiations enter the final stages, we urge you to address the six priorities outlined below as doing so is critical to ensuring the U.S. business and agriculture community support needed to secure congressional approval of the agreement:

- **Include both Mexico and Canada:** American workers and families need an agreement that includes all three North American economies. It would be unacceptable to sideline Canada, our largest export market in the world. We appreciate your ongoing efforts to reach a trilateral agreement and encourage all parties to come to a resolution.
- **Make it strong and enforceable:** To ensure this trade agreement is appropriately enforceable, rulings of the new NAFTA's state-to-state dispute settlement panels should not be merely advisory, and the agreement's investment protections—as enforced by investor-state dispute settlement—should not be diluted or subject to geographic or sectoral limitations but should be available to all investors.
- **Avoid an automatic “sunset clause”:** We understand the United States and Mexico have agreed to language establishing a review every six years, with the possibility of later termination unless all parties “opt-in” to extend the agreement. But given that this would create significant uncertainty for investments, and therefore harm growth and job creation in the United States, we encourage you to pursue a new approach or—failing that—replace the “opt-in” requirement with an “opt-out” provision.

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- **Exclude new and higher tariffs within North America:** Reports of a side letter with Mexico suggest the potential imposition of Sec. 232 tariffs or quotas on auto and auto parts imports from that country will remain in place indefinitely. However, given that the imposition of new auto tariffs on trade with Canada and Mexico would hurt American families and cause both job losses and higher costs for businesses, we urge any new NAFTA deal to exclude new and higher tariffs within North America.
- **Expand U.S. firms' access to government procurement markets in Canada and Mexico:** The U.S. "dollar for dollar" proposal has led to widespread concern that a new NAFTA would limit access to these markets. American businesses secure billions of dollars in business opportunities in Canada and Mexico that in turn support thousands of good American jobs. In this area as in others, we ask you to instead expand U.S. firms' access to the Canadian and Mexican markets.
- **Prioritize modernization:** We commend you for reaching an agreement in principle with Mexico that appears to include strong rules on intellectual property, digital trade, and financial services. We hope to see these apply to Canada in equal measure.

We look forward to continuing to work with you on these important matters to achieve a new trade agreement that will spur economic growth and result in more investment in America, the creation of more American jobs, and increased wages to benefit American workers.

Sincerely,



Joshua Bolten
President and CEO
Business Roundtable



Thomas J. Donohue
President and CEO
U.S. Chamber of
Commerce



Jay Timmons
President and CEO
National Association of
Manufacturers