



Washington Council on International Trade

November 17, 2017

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

Dear Ambassador Lighthizer:

The Washington Council on International Trade and its members – manufacturers, farmers, retailers, and service providers from across Washington state – support modernizing and improving NAFTA while preserving the trade agreement’s strong benefits for Washington state.

Our state’s growing trade relationship with Canada and Mexico has been a tremendous benefit to Washington residents. In fact, over 330,000 local jobs are directly connected to trade with our NAFTA partners, from apples and aircraft to software. As the most trade dependent state in the nation – with forty percent of all jobs tied to international trade – we need your help to ensure that Washington state remains globally competitive.

NAFTA’s innumerable benefits are worth preserving to ensure American businesses continue to thrive and maintain access to two of our most important trading partners. Our state’s trade statistics demonstrate clearly how important NAFTA countries are to our economy:

- Washington's exports to Canada increased 200% between 1996 and 2015. Exports to Mexico rose 700% in this period.
- 20% of the Washington pear crop and 15% of our apple crop go to Canada and Mexico, generating \$500 million per year in sales.
- Washington exported \$80 million in dairy, eggs and honey to Mexico in 2016.
- Our state exported \$189 million in seafood to Canada last year.
- 150,000 Washington jobs depend on trade with Mexico.

We also firmly believe that the NAFTA can be improved reflect the realities of the modern economy. For example, digital trade provisions should be included in NAFTA 2.0, including commitments to ensure the free flow of data, prohibit data localization, and foster Internet-enabled innovation. Low *de minimis* thresholds in Canada and Mexico hurt online shoppers and drive online customers away from local small businesses.

While our NAFTA partners’ markets are relatively open to U.S. goods and services, some sectors remain a challenge. For example, Canadian dairy laws favor domestic producers and restrict access for U.S. dairy exports, and Canadian laws prevent U.S. wines from being sold in grocery stores in many Canadian provinces. Canada’s intellectual property authority and opaque market access decision-making and processes create uncertainty and instability for U.S. innovative biopharmaceutical companies. Similarly, in manufacturing and services, there are more opportunities to lock in better market access. A modernized NAFTA should pursue improved market access for local U.S. businesses.

We agree that market access without strong enforcement would mean an empty agreement. Though NAFTA has provided a great many benefits, more can be done to strictly enforce the agreement. A modernized NAFTA should strive to hold every party accountable and ensure that the rules agreed upon by its members are fully enforced.



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WCIT and its members advocate for a modernized NAFTA that retains the current trade agreement's benefits, while updating it for the 21st century, addressing long-standing trade barriers, and seizing new opportunities. We hope to work with you in creating a modernized NAFTA that grows economic opportunities for Washington state.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Otto Punke". The signature is fluid and cursive, with the first name "Lori" being the most prominent.

Lori Otto Punke
WCIT President