

October 20, 2017

The Honorable Wilbur Ross
Secretary of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Dear Secretary Ross:

As Chairman of the Advisory Council on Supply Chain Competitiveness (ACSCC), and on behalf of the ACSCC, I am writing to commend you on the substantial progress we are hearing has been made during the first four rounds of NAFTA renegotiations. As you know, the members of this committee represent a large part of US industry, and we are pleased to learn many of our recommendations – each critical to improving the competitiveness of U.S. domestic and international supply chains, facilitating new job growth within the United States, and increasing U.S. exports - have been included in the discussions and draft language.

As we have mentioned before, the economies of the North American countries are deeply intertwined. The trade of goods and services among the United States, Mexico, and Canada has increased by 166 percent since 1990, which outpaces the increase of trade between the United States and the rest of the world. More than one in every seven American jobs is now related to trade with Mexico and Canada.

North America has become stronger as a region competing in the global economy by removing barriers to trade and investment within the region, leading to integrated supply chains that are designed to improve the overall performance of the North American industries, consolidate manufacturing and drive down costs. Integrated supply chains have created five million new U.S. jobs through North American Free Trade Agreement (NAFTA)-related exports, with nearly 40 percent of U.S. imports from Mexico originated with American companies.

As you are aware, last June the ACSCC identified four key areas critical to the upcoming modernization of NAFTA, and we applaud the efforts of the Trump Administration in ensuring these issues are being addressed and updated in the current NAFTA negotiations. The Committee feels that these issues are vital to the competitiveness of businesses in the United States as they are the driving force behind an efficient, seamless and secure U.S. supply chain that will increase and improve opportunities for U.S. export growth.

- Border Crossing Infrastructure Processes
- Data Sharing and Integration
- Streamlining and Expediting Customs Procedures

- Address Digital Economy and Ecommerce Opportunities

We are also very pleased to learn increased regulatory cooperation has already been addressed in the first rounds of the negotiations. As you well know, in 2011 the U.S. established separate regulatory cooperation efforts between Canada and Mexico. These bilateral Regulatory Cooperation Councils remain an excellent means to engage private sector stakeholders to identify and streamline an array of regulatory barriers and differences that continue to hinder the north American economic community.

We propose these bilateral Councils be made a permanent part of any renegotiated NAFTA under the leadership of the highest agencies, such as the White House Office of Management and Budget. While many forward-looking regulations are better aligned, such as recent food safety and labeling regulations, there remain a tyranny of small differences in long-standing regulations that still burden the economy and need to be addressed

The successful modernization of NAFTA, including the above key components, is critical for the stability and competitiveness of each North American nation individually, and our continent as a whole. NAFTA modernization provides an opportunity to improve trade processes with Canada and Mexico, making the region more competitive against other trade blocks.

We wish you the best of luck in the future rounds of the negotiations. We look forward to a successful renegotiation and modernized NAFTA. We thank you for your support of this important advisory body, and stand ready to assist you and your team in any way.

Sincerely,

Rick D. Blasgen ACSCC Chairman