



Pacific NorthWest Economic Region

2016 - 2017 PNWER Executive Committee*

June 12, 2017

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

Dan Ashton, MLA
British Columbia
President

Sen. Arnie Roblan
Oregon
Vice President

Rep. Mike Cuffe
Montana
Vice President

Sen. Chuck Winder
Idaho

Larry Doke, MLA
Saskatchewan

Rep. Bryce Edgmon
Alaska

Robyn Luff, MLA
Alberta

Hon. Ranj Pillai
Yukon

Sen. Jim Honeyford
Washington

Hon. Wally Schumann
Northwest Territories

Colin Smith
APEGBC
Private Sector Co-Chair

Dan Kirschner
Northwest Gas Assoc.
Private Sector Co-Chair

Dear Ambassador Lighthizer,

I am writing to convey the views of the Pacific NorthWest Economic Region (PNWER) on the modernization of the North American Free Trade Agreement (NAFTA). PNWER is a statutory, public-private non-profit that was chartered in 1991 by the five Northwest states of Alaska, Idaho, Montana, Oregon, and Washington, and the western provinces of British Columbia, Alberta, Saskatchewan, and the Yukon and Northwest Territories. Our Canadian provincial government members will engage directly with the Government of Canada and relevant U.S. jurisdictions, so this letter is not intended to convey their views on NAFTA.

PNWER has been working with the public and private sector for over 27 years to create solutions for the economic growth, prosperity, and healthy environment of the entire ten jurisdiction region in both Canada and the U.S. We are encouraged that Secretary Ross and USTR Lighthizer are working closely with Congress to determine priorities for improving the existing trade agreement between the U.S, Canada, and Mexico while preserving the spirit of North American cooperation, which has been a great benefit to the competitiveness of our Pacific Northwest businesses.

PNWER has been a champion throughout its 27-year history, bringing together stakeholders, border officials, and policymakers to enhance the border facilitation processes at the U.S. – Canada border. We urge you to build on the success of the Beyond the Border Action Plan, the Regulatory Cooperation Council, U.S.-Canada Preclearance agreement, and the numerous smart border initiatives that our country has invested in for several decades.

We urge the three parties to quickly come to an agreement to modernize NAFTA in a collaborative and transparent process that will strengthen our competitive advantage across the globe. Uncertainty creates an erosion of confidence in markets and investments for the future.

While we recognize the need for NAFTA to be updated, we recommend that a primary objective should be to “do no harm”. This is an opportunity to optimize the largest trading relationship in the world, that between the U.S. and Canada.

Hundreds of our public and private stakeholders in both the U.S. and Canada have joined with the PNWER NAFTA Modernization Task Force to participate in a survey identifying key priorities for our region. The most important elements from our stakeholder survey include the following recommendations:

*Partial listing

1. **Include Advancements from other Free Trade Agreements:** As a starting point, examine previously agreed upon advances from modern trade agreements like the TPP.
2. **Cross-Border Trade Facilitation:** Include ‘modern’ processes for cross-border customs (methods to streamline and simplify clearance, declaration, documentation, facilitation, etc.). Simple clearance, declaration and origin rules will facilitate that process. Harmonizing and aligning standards before products reach the border to increase efficient trading. This includes preclearance for goods and livestock.
3. **Digital Trade and E-Commerce:** NAFTA should be modernized to provide a framework to promote and govern digital trade, e-commerce, services- including financial services, logistics, and information and communication technology.
4. **Energy and Infrastructure:** Support further integration of North American energy markets and the infrastructure needed to connect them.
5. **Intellectual Property:** Increase protection of intellectual property
6. **Regulatory Cooperation:** Encourage permanent adoption and expansion of the Regulatory Cooperation Council to align product standards, testing, and certification.
7. **Express Delivery:** Include modern provisions to facilitate cross-border express delivery for small shipments; harmonize de minimis thresholds for expedited shipments.
8. **Labor Mobility:** Update NAFTA labor categories to reflect modern classifications and expand common standards for professions and mutual recognition of skills credentials.
9. **Procurement:** Include exemption for Canadian content in ‘Buy American’ procurement, as it currently is in the defense sector.
10. **Dispute Settlement:** Establish clearer and more effective mechanisms for resolving trade disputes.

Conclusion:

PNWER strongly advocates for a modernized NAFTA and quick negotiation process, with outcomes that will provide the stability and certainty necessary to increase investment in our globally competitive industries. This will increase jobs in the U.S. and provide countless opportunities for Americans. We also suggest a more effective trade adjustment assistance program in the U.S. for workers displaced by globalization.

We remain committed to assisting in any way we can as one of the most mature U.S.-Canada public private regional organizations, focused on the bi-national economy. Please feel free to call on us if we can provide additional input or information.

Sincerely,



Matt Morrison
Chief Executive Officer
PNWER