

March 20, 2018

The Honorable Donald Trump  
President of the United States  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Mr. President:

Thanks to your significant efforts to eliminate red tape, shrink the regulatory state, and enact historic tax cuts, there has been tremendous progress towards making the American economy great again. However, as you have indicated, there is much more to do.

We respectfully urge you to direct your trade negotiation team to seize a historic opportunity to take a much broader view of the economic potential of NAFTA negotiations and boldly advance the Republican economic growth agenda. Rather than pursuing a defensive strategy that focuses solely on what other countries are doing to us, we need to develop a more comprehensive, offensive U.S. strategy to strengthen our economy from within, to more effectively counter the harmful trade policies of countries like China.

The “traditional” U.S. trade negotiation playbook, with its focus on trade rules such as tariffs, rules of origin, trade remedies, and dispute settlement, is outdated: it neither resolves the structural issues that make America less competitive nor adequately addresses the public’s legitimate concerns about globalization and its effects on jobs and wages. Executing from that playbook has and will continue to fall short. We need a new consensus on trade that incorporates both new rules that will enhance US competitiveness abroad and structural reforms to ensure sustainable competitiveness at home.

It’s time to try a new and more innovative approach.

We need to seize the opportunity to improve American economic competitiveness – including the competitiveness of the U.S. workforce – in a bold and ambitious way. Rather than focusing on making it more difficult for companies to invest in other countries, we should instead make it easier for them to grow and invest here in the United States.

We can do this by proposing a ground-breaking “Competitiveness” chapter in NAFTA, consistent with your Administration’s priorities, that directly addresses the factors that companies consider when they make decisions about where to locate and expand their operations:

1. Permitting: Establish a streamlined, coordinated permitting system that expedites infrastructure and manufacturing projects, doesn’t keep companies in endless limbo awaiting politicized determinations, and unleashes exports of manufactured goods, food and agricultural products, and natural resources to reduce the U.S. trade deficit.

2. Regulatory: Create a predictable and transparent regulatory environment by codifying regulatory reform measures like the REINS Act or the Regulatory Accountability Act, which eliminate red tape, promote and reward freedom and innovation, and enhance American competitiveness.
3. Workforce: Develop and maintain a workforce with 21<sup>st</sup> century skills that employers need, including through promoting greater participation in effective job-training and apprenticeship programs.
4. Infrastructure: Develop a 21<sup>st</sup> century physical and digital infrastructure that enables the swift movement of cargo from the heartland to and through our borders and ports, utilizing the latest advances in logistics and technology to increase the competitiveness of the U.S. economy.

To truly modernize NAFTA and re-energize the U.S. trade agenda, we need to include elements that address jobs and competitiveness head-on. That's the paradigm shift in trade policy that you've consistently championed, and it's something that's never been done before. Doing so would require your trade negotiators to take a more ambitious approach to the NAFTA renegotiation. The current negotiating approach of trying to reestablish trade barriers that would interrupt ongoing commerce would lead directly to lost U.S. exports and American jobs. Instead, we need an approach that focuses on strengthening U.S. competitiveness from within.

Modernizing NAFTA in this fashion would draw companies to our shores in droves; make U.S. manufacturers, producers, service providers, farmers, ranchers, and workers more competitive; create good, high-paying American jobs; and shrink the massive U.S. trade deficit. Making game-changing reforms in these areas would also put the United States in a much stronger position to forcefully confront China, which is pursuing its own domestic strategies that are often harmful to U.S. interests.

This new NAFTA strategy is consistent with the mandate of the Trade Promotion Authority Act that U.S. trade agreements “foster economic growth, raise living standards, enhance the competitiveness of the United States, promote full employment in the United States, and enhance the global economy.” We believe that it would be supported by Canada and Mexico, and help us bring the negotiations to a rapid conclusion.

Most importantly, taking this approach means that you could ratify your improved version of NAFTA before November of this year. And under the Trade Promotion Authority Act's expedited procedures, we can avoid a filibuster and pass implementing legislation in the Senate with only 50 votes. No alternative this year has so much promise to lock into law most elements of your economic development plan and timely realization of the economic benefits it will bring.

We would appreciate the opportunity to discuss this proposal with you. Thank you for your consideration.

Sincerely,