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PERSPECTIVES

THE DAILY TRANSCRIPT

## The time to pass USMCA is now, not later

By Paola Avila and Glenn Hamer

Congress should move quickly to ratify the United States-Mexico-Canada Agreement and solidify North America's position as the globe's most economically competitive region. The Mexican Senate has finalized the deal in that country by a wide margin. The U.S. should be the next country to do the same.

Every major chamber of commerce and business group across North America supports the accord. The California and Arizona congressional delegations, representing two border states whose economic futures are deeply connected to the implementation of the USMCA, should lead the call on Capitol Hill for swift action on the new deal.

Admittedly, the path to ratification has not always been a smooth one. The U.S. imposed and then eliminated tariffs on imports of steel and aluminum from Mexico and Canada, and then threatened new tariffs on Mexico, but backed off after our friend and neighbor

worked to negotiate a productive agreement on migration. But each episode, combined with the U.S.' tumultuous trading relationship with China, should serve as a reminder to a broad, bipartisan majority of Congress that governments and job creators crave greater certainty and stability in the trade rules of the road.

Recent labor reforms in Mexico, along with USMCA's modernized rules of origin, wage provisions, modified auto sector content rules, and new chapters reflecting the dramatic changes in the economy since the advent of the North American Free Trade Agreement, should not only be supported by members of Congress from both parties, but also businesses of all sizes, and stakeholders from a wide variety of industries, ranging from agricultural, to high-tech, to manufacturing.

If NAFTA is a good thing—and it is—then the USMCA is even better.

A recently released report from the U.S. International Trade Commission makes clear that the USMCA represents a substantive upgrade over NAFTA. According to the ITC, U.S. real GDP under USMCA is poised to grow by \$68.2 billion and an estimated 176,000 new U.S. jobs.

That's significant. Even though the move from NAFTA to USMCA takes us from one free-trade pact to another, the USMCA's articles on intellectual property, digital goods, customs treatment and more are the trade equivalent of going from dialup to broadband.

USMCA brings U.S. trade policy into the 21st century. Its new digital trade chapter contains the strongest provisions of any international agreement, establishing a firm foundation for the expansion and investment in innovative products and services where Arizona and California companies and the U.S. have a competitive advantage.

E-commerce's impact on the cross-border

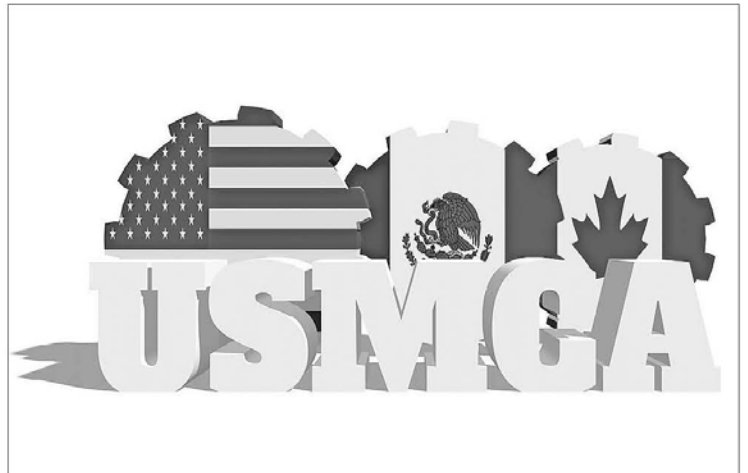


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The agreement modifies customs rules to detain illegal counterfeits, and reflects recent enhancements to cut red tape in cross-border transactions and speed up processing at the border.

These upgrades aren't just good news for big multinational firms. By simplifying customs processes, small and medium-sized California and Arizona companies can more easily enter the Canadian and Mexican markets. In fact, the USMCA marks the first time small businesses are reflected in their own chapter in a U.S. trade agreement. The agreement establishes a committee among the three countries to focus specifically on the unique challenges of small businesses, and it seeks to promote information sharing among small businesses looking to engage in cross-border commerce.

The agreement also maintains the NAFTA TN visa class, which allows skilled workers to meet labor needs in over 60 job categories in

the signatory countries.

As business community leaders of two border states, we see every day how our states and the communities in them benefit greatly from cross-border tourism and our deeply integrated economies and cultures. NAFTA enhanced those already-strong ties, expanding market access for American manufacturers and growers, and leading to a greater variety of goods and price competition for U.S. consumers.

USMCA builds on NAFTA's successes. We're excited by what it will deliver for the U.S. economy and for the economies of our states. The time is now for Congress to act and to take advantage of all that USMCA has to offer.

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