

November XX, 2017

The President
The White House
Washington, DC 20500

Dear Mr. President:

As chief executives of our states, we governors have a unique perspective regarding the importance of international trade and foreign direct investment on our respective economies. Governors are actively promoting our businesses globally because more than 95 percent of the world's consumers live outside the United States.

As your administration is undertaking negotiations to modernize the North America Free Trade Agreement (NAFTA) with Canada and Mexico, in consultation with Congress and accordance with the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, we look forward to working with your administration to boost economic growth and job creation in the United States and across North America through free and fair trade.

The impressive benefits of U.S. trade and investment with Canada and Mexico include:

- **Jobs across America:** The current trading relationship with our NAFTA partners supports tens of thousands of jobs in each of the 50 states—and more than 100,000 jobs in each of 35 states. In fact, 39 U.S. States count Canada or Mexico as their number one trading partner and all but one state counts Canada or Mexico as a top three trading partner. U.S. trade with these two countries supports 14 million American jobs overall.
- **Biggest Growth Markets:** U.S. exports to Canada and Mexico—which represent America's largest export markets by a wide margin—expanded far more in the 2009-2015 period than U.S. exports to any other country in the world (by \$115 billion to Mexico and \$89 billion to Canada). Half of all Canadian and Mexican imports come from the United States.
- **Advancing Agriculture:** Under NAFTA, U.S. agricultural exports to Canada and Mexico have quadrupled from \$8.9 billion in 1993 to \$38 billion in 2016, providing critical growth opportunities for an industry at the heart of rural America.

- **Manufacturing Jobs:** Canadians and Mexicans purchased \$445 billion of U.S. manufactured goods in 2016, generating \$37,000 in export revenue for every American factory worker.
- **Services Surplus:** In 2015, U.S. services exports to Canada and Mexico reached \$88 billion, with a services trade surplus of \$37 billion. U.S. service providers are market leaders in many sectors of the Canadian and Mexican economies.
- **Big Gains for Small Business:** Canada and Mexico are the top two export destinations for U.S. small- and medium-size enterprises, more than 125,000 of which sell their goods and services in Canada and Mexico.
- **Investing in America:** Canada and Mexico invested more than \$375 billion in the United States in 2015, supporting more than 700,000 good paying jobs across the United States.

The future of our commerce depends upon a renegotiated and modernized NAFTA. We commend your cabinet for committing to “first, do no harm” in these negotiations and to move swiftly to modernize our trilateral agreement in a way that maintains and adds to the access it has provided American workers, farmers, ranchers, and companies to the Canadian and Mexican markets. Additionally, we firmly believe that withdrawing from the agreement would be a self-inflicted wound that would harm jobs in all of our states.

Mr. President, Governors from across the country stand ready to work with you as your administration seeks to modernize and improve NAFTA.

Sincerely,

Kim Reynolds
Governor of Iowa

Asa Hutchinson
Governor of Arkansas