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December 13, 2017

Congressman Darrell Issa
California's Forty-Ninth District
2269 Rayburn House Office Building
Washington, DC 20515

Dear Congressman:

The San Diego Regional Chamber of Commerce is grateful for the opportunity to provide a statement for the record of the House Committee on Foreign Affairs TNT Subcommittee's Hearing on The Future of the North American Free Trade Agreement.

The San Diego Regional Chamber of Commerce supports efforts to negotiate much needed updates to NAFTA. We urge the Administration and Congress to avoid tactics that would damage a partnership that has created so much opportunity for our region and the U.S. economy. The integration of the NAFTA partners Mexico and Canada into U.S. supply chains is significant. In my state of California, Mexico is our leading export destination by a long shot. Number two is Canada. In San Diego alone, more than 110,000 jobs are dependent on international trade and together with Baja California businesses in the region have leveraged NAFTA to create a \$2.5 billion manufacturing supply chain. We observe a similar phenomenon on the northern border. For example, Michigan's number one export market is Canada, followed by Mexico.

A modernized North American Free Trade Agreement presents increased opportunities for trade with our North American neighbors. However, we are growing increasingly concerned about rhetoric from the administration that would indicate it believes a dismantling of the agreement would be a wise course of action. This course of action would be terribly damaging to the U.S. economy, and would make the administration's stated goal of achieving 3 percent annual economic growth a near impossibility.

A modernized NAFTA will help all of North America remain competitive against other trade blocs, preserving U.S. jobs and discouraging the outflow of capital. The modernized agreement

will also ensure that products made in the U.S. can compete on store shelves abroad, while lowering prices and expanding consumer choice here at home.

Furthermore, exiting NAFTA will weaken the trilateral diplomatic relationship North America currently enjoys. In fact, strengthening the relationship was a primary reason NAFTA was created in the first place. We are also concerned that binational collaboration on national security, environmental issues will be weakened, and that siting, designing, and management of future ports of entry may become more difficult.

While we are a staunch supporter of NAFTA, there are many areas for improvement specifically in the areas of improving customs processing with the implementation of the North American Single Window proposal, a three-nation COAC, single company identifier, improved cross-border inter-agency coordination, and unified cargo processing. We also encourage a modernized NAFTA to allow and encourage cross-border investment by the trucking industry to develop a more competitive North American transportation market and a modernized North American Development Bank expanding the Bank's ability to participate in trade facilitation projects at our international land crossings while supporting border security.

Once again, we appreciate the opportunity to provide these comments on NAFTA. Please count on our organization's expertise and experience in cross-border commerce as a resource as you and your colleagues consider the future of the agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JS', with a long horizontal stroke extending to the right.

Jerry Sanders
President and CEO

A handwritten signature in blue ink, appearing to read 'Paola Ávila', written in a cursive style.

Paola Ávila
Vice President, International Business Affairs
Chair, Border Trade Alliance