



FARMERS *for*
FREE TRADE

April 13, 2018

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

Dear Ambassador Lighthizer:

We, the Coalition of Services Industries (CSI) and Farmers for Free Trade (FFT), representing the U.S. services and agriculture sectors, respectively, write to share our support for continuation of the North American Free Trade Agreement (NAFTA) and emphasis on services and agriculture in ongoing negotiations, as well as in the Administration's trade agenda.

NAFTA's framework of non-discriminatory treatment and market access has allowed U.S. services exports to Canada and Mexico to increase by over 220 percent over the last two decades. American farming also reflects the success of NAFTA—since 1993, exports to Canada and Mexico increased by over 380 percent, a direct benefit to American farmers, ranchers, and growers.

Services, and particularly digital services, have transformed the American economy over the past decade, across all sectors and companies. Services and agriculture are inextricably linked – services promote the competitiveness of American farmers and ranchers, making up a significant share of value of agricultural exports, as the United States remains a top agricultural exporter.

This connection is particularly apparent through NAFTA's commitments on distribution services. NAFTA opened the door to significant investment of retail distributors exporting from the United States into Canada and Mexico and greatly integrated the North American marketplace, strengthening the U.S. role in the regional and global supply chain.

U.S. meat exports to Mexico have doubled in the last two decades; U.S. retailers export millions in rice, pork and beefs product across the southern border on an annual basis. Mexico remains the largest export market for American apples and pears due in part to produce imported from the United States by U.S. retailers.

Without NAFTA, U.S. retailers, distributors, farmers and ranchers would all lose the unparalleled access they have had in Canada and Mexico, which have become some of the largest export markets for the United States. A withdrawal from NAFTA would also leave U.S. business investments in retail and distribution centers unprotected without NAFTA's investment commitments.

Just as services providers, farmers and ranchers have been among the biggest beneficiaries of NAFTA, they are also most vulnerable to the consequences of a U.S. withdrawal. NAFTA withdrawal would result in a massive tax on the products American farmers grow and produce, which would amount to billions of dollars in annual duties that farmers and rural America

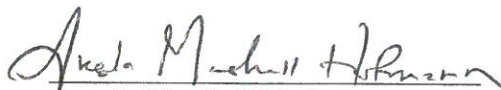
would be left to cover. It would also risk losing \$88 billion in U.S. services exports to Canada and Mexico. Those exports support nearly 600,000 high-paying American jobs and drive a \$24 billion services trade surplus with Canada and \$7.5 billion services trade surplus with Mexico.

CSI and Farmers for Free Trade unite in the effort to ensure a winning, modernized NAFTA is achieved, to the benefit of American jobs, continued economic growth and competitiveness of the U.S. services and agriculture sectors worldwide.

Sincerely,



Christine Bliss
President, CSI



Angela Marshall Hofmann
Deputy Director, Farmers for Free Trade