

United States Senate

WASHINGTON, DC 20510

FOREIGN RELATIONS

SELECT COMMITTEE ON INTELLIGENCE

SMALL BUSINESS AND ENTREPRENEURSHIP

SPECIAL COMMITTEE ON AGING

COMMITTEES:

APPROPRIATIONS

September 1, 2017

The Honorable Robert Lighthizer U.S. Trade Representative Office of the U.S. Trade Representative 600 17th Street, NW Washington, D.C. 20508

Dear Ambassador Lighthizer:

I am writing to convey my desire to support a forward-looking, equitable, and reciprocally beneficial North American Free Trade Agreement (NAFTA). In many ways, the NAFTA has produced enormous benefits for the U.S., Canada, and Mexico; however, it is also clear that rather than sharing in the bounty, a number of communities have been significantly harmed. In Florida, the NAFTA's deficiencies have been most directly felt by farming families whose efforts to help sustain our nation face increasing threats from NAFTA-enabled competition with unfairly subsidized Mexican agricultural products and generally timid or uneven enforcement of trade rules.

As you continue to lead the efforts currently underway to renegotiate the NAFTA, I wanted to make you aware of the primary factors that I will consider in evaluating whether the final product is the right deal for Floridians, and for the nation as a whole. These include:

- Leveling the playing field for Florida's agricultural sector An improved NAFTA agreement should ensure fair competition in U.S. markets for Florida's agricultural products, including specialty crops. This involves tightening rules to block unfair trade practices, increasing oversight and enforcement mechanisms, maintaining U.S. access to existing enforcement tools, raising minimum labor and environmental standards to limit excessive and unfair production cost advantages, and setting rules to limit the potential for damaging currency manipulation. In particular, renegotiations should strongly explore instituting new mechanisms to provide relief for perishable and seasonal products, like Florida's specialty crop harvests, whose producers are currently unable to seek relief from demonstrable injury based on the unrealistic evidentiary data standards in U.S. trade law. Furthermore, a strong commitment to scientifically rigorous sanitary and phytosanitary standards (SPS) not only serves to eliminate specious trade barriers, but also ensures that Florida's agricultural production can be protected from foreign pests and diseases. Progress in these areas combined with the protection of our agricultural exports is of paramount importance.
- Supporting Florida's continued emergence as a Latin American tech hub An improved NAFTA should include a chapter on digital trade and cross-border data flows that blocks the

imposition of customs duties or other discriminatory treatment on electronically-transmitted digital products, enhances opportunities for cross-border data flows, and prevents requirements for local computing/data hub facilities and mandatory source code disclosure. Special attention should also be paid to the role of small- and medium-sized enterprises (SMEs) in this space to ensure their potential to succeed in a vital sector of future economic development and growth.

- Facilitating trade-based economic growth in Florida An improved NAFTA should enhance Florida's trade economy by bringing NAFTA trade rules and mechanisms in line with World Trade Organization (WTO) practices that all three countries have agreed to, raising *de minimis* customs values in line with U.S. standards, expediting and harmonizing customs treatment, providing for administrative and judicial appeal of customs decisions, facilitating electronic payments of duties, taxes, fees, and charges, enhancing risk management systems and procedures, and strengthening rules of origin. Once again, special attention should also be paid to assisting SMEs succeed in a more interconnected North American and global economy.
- Modernizing markets and protections An improved NAFTA should protect U.S. standards for Intellectual Property (IP) rights, and enhance transparency and competition in North American markets. Any new agreement should also reflect the United States' hardwon efforts since the NAFTA was first implemented to develop effective dispute settlement processes that respect U.S. sovereignty. This includes maintaining the current Chapter 11 Investor-State Dispute Settlement intact, and repealing the NAFTA Chapter 19 Dispute Settlement mechanism and bringing all other dispute mechanisms and processes in line with WTO standards to which all three countries have already agreed. Furthermore, U.S. citizens currently engaged in active dispute settlement processes must be assured that they will be able to continue to seek relief of their claims.
- Serving as a model for the continued liberalization and economic development of the Western Hemisphere An improved NAFTA should serve as a model for promoting freedom, human rights, and good governance norms by including a chapter on anticorruption, further enhancing transparency, facilitating increased private investment, augmenting the free flow of energy within the continent, and blocking trade in products made using forced labor. Such reforms can further incentivize other nations who wish to expand their economic and trade partnerships with the United States to follow the North American example.

To secure a successful future for all Americans, it is vital that a renegotiated NAFTA advances the interests of those, like Florida's dedicated farmers and hardworking small business owners, who found themselves left behind by the Agreement's previous deficiencies. I urge you to seize this moment to create a forward-looking, equitable, and reciprocally beneficial NAFTA that deepens valuable trade ties across the continent while growing economic opportunities at home. The extent to which the priorities outlined above are achieved will determine my support during Senate consideration of any final agreement, and I look forward to further consultation and cooperation on these issues as NAFTA renegotiations proceed.

Sincerely,

Marco Rubio

U.S. Senator