

Stakeholder Dialogue on North American Competitiveness

National Association of Manufacturers

More than two decades ago, the leaders of the United States, Canada, and Mexico launched a new path for their three countries with the landmark North American Free Trade Agreement (NAFTA). This agreement advanced concrete actions to advance and facilitate trade, eliminate regulatory barriers and promote a stronger innovation and investment climate. Since then, the economies of all three nations have more than doubled, and manufacturing has hit record highs – resulting in higher living standards and increased North American commercial integration.

These simple facts point the way forward: the future of North America requires greater cooperation and integration, not less. Manufacturers in the United States are looking for North American leaders to build on our strong cooperative foundation by advancing the Trans-Pacific Partnership (TPP), facilitating North American trade and investment, and promoting a pro-growth business and innovation climate across North America. Such a vision requires all three governments to work jointly with North American industry, engaging broadly, deeply, and regularly to draft and implement plans, programs, and policies that achieve these goals.

Specific actions include:

- Moving forward the TPP: The NAM urges full passage of the TPP this year to liberalize trade and investment and to raise standards. This will require strong efforts to address outstanding issues and ensure full and prompt implementation of the final agreement.
- Taking Concrete Action to Facilitate Trade: All three countries must decrease red tape and other trade-related barriers that impose unnecessary costs and delays and harm our nations' global competitiveness. Concrete steps include jointly investing in improved border infrastructure and coordinating cargo security screening processes. The NAM additionally encourages Canada and Mexico to ratify the Trade Facilitation Agreement and to raise their *de minimis* threshold for products to be assessed border tariffs.
- Decreasing Regulatory Barriers: All three countries should harmonize regulatory approaches and eliminate costly regulations that serve as technical barriers to trade, such as proposed U.S. rules on Canadian wood packaging material (including pallets) and a Mexican proposal to introduce additional paperwork and greater complexity in order to import low value shipments. Despite positive efforts such as the U.S.-Canada Regulatory Cooperation Council and the U.S.-Mexico High Level Regulatory Cooperation Council, regulatory cooperation should be deepened to ensure transparent regulations based on risk and science that do not create red tape.
- Promoting a Stronger Innovation Climate: The NAM urges North American leaders to promote intellectual property as a driver of innovation for modern manufacturing, research and development. These three countries should also strengthen collaboration to battle counterfeiting and piracy, improve trade secrets regimes globally, protect confidential business information, eliminate practices that harm innovation such as patentability requirements that are inconsistent with global best practices or licensing requirements and other governmental actions, including in the environmental and competition policy areas, that require inappropriate transfer or disclosure of IP.
- Advancing a Robust Energy and Investment Environment: Despite significant growth in North American energy production that has benefited consumers and manufacturers, challenges remain, from new regulatory restrictions to difficult investment conditions. North American leaders must harmonize the three countries' standards and regulations, reduce barriers to energy infrastructure, and strengthen cross-border energy investment.

The NAM is the largest manufacturing association in the United States, representing 14,000 manufacturers, small and large, in every segment of the manufacturing economy and representing all 50 states. Our membership includes multinational businesses with operations in many countries, including Canada and Mexico, as well as small and medium-sized firms active in international trade.