Contribution to Stakeholder Dialogue on North American Competitiveness, Wilson Center 9/29/16

- The future vision should be one in which Canada, Mexico and the United States work together to maximize their collective economic benefits in an increasingly competitive global economy, while at the same time developing new models of cooperation in which shared, non-economic values are promoted. The goal is not integration for integration's sake, but rather deeper cooperation on an issue-by-issue basis where the three countries can achieve more collectively than they could achieve individually. Some examples should include:

    1. Greater regulatory cooperation. North America is one of the lowest cost, most productive regions in the world for corporate investment. Due to NAFTA, companies can break up their supply chains across the three countries without paying a tariff penalty. But divergent regulations continue to be a significant business cost, and also make it harder for the three governments to implement and enforce their own consumer health, safety and environmental regulations. North America needs to be at the forefront of changing the conversation on regulations by pursuing a regulatory agenda that enhances both consumer safety and trade efficiency and pushes back against the argument that safety and efficiency are necessarily in conflict. It needs to be elevated beyond the working group level to an issue of public discussion and debate at the leaders' level.

    2. Cooperation on investment promotion/regulation. While the three NAFTA countries cooperate and compete on trade, the model on investment is almost wholly competitive. Each country (and states within the countries) competes to attract investment, often using disorting tax and other subsidies. North America should lead in building more cooperative models in which the three countries promote the attractiveness of the North American region as a whole, and cooperate in reducing distorting incentives. A good place to start here would be with greater transparency on investment incentives.

    3. A "mobility accord" that would ease the temporary movement of both higher and lower-skilled workers among the three countries. This should include updating and revising NAFTA's TN visa to increase the number of eliglible professions, increase the term, permit spouses to work, and allow for "dual-intent" so that transition to a U.S. green card is permitted. The United States should also implement a new, low-skilled temporary worker program as proposed by the recent "Share Border, Shared Future" task force report from the Center on Global Development. These initiatives could be pursued either inside or outside broader U.S. immigration reform.

    4. Increased investment in border infrastructure and staffing. While significant gains in border efficiency have been made through trusted traveler and trusted shipper programs, under-investment in many border crossings remains a huge problem. All three countries (and especially the United States) must make border infrastructure a higher priority.

- Measures of success for each initiative:

    1. Stakeholder reactions. On regulations, there should be growing confidence both from the corporate sector and from consumer-related NGOs that regulations are more fair and effective.
    2. Increased FDI in North America, greater transparency on investment incentives, reductions in those incentives over time.
    3. A new data gathering effort should be launched on temporary migration to gather better information on the labor market outcomes for individuals, employer demand, wages in the sectors with temporary workers etc. The programs should be adjusted depending on outcomes.
    4. Border wait times. The governments should continue and expand their efforts to gather and publish detailed border wait time data.