

June 18, 2019

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell and Minority Leader Schumer,

The undersigned Texas based business leaders and organizations urge your swift action and support of the United States–Mexico–Canada Agreement (USMCA). Ratification of USMCA is critically needed to provide certainty for the many business sectors in Texas that rely on trade with Canada and Mexico, while in turn contributing to the U.S. economy.

Texas exports more than any other state to Mexico and is second only behind Michigan for exports to Canada. More than 950,000 Texas jobs are supported by trade with Mexico and Canada. In 2018, Texas exported more than \$137 billion worth of products to our North American partners, accounting for 43 percent of Texas' total exports to the world. These are staggering numbers that will only grow with the implementation of USMCA.

According to a recent independent International Trade Commission (ITC) report, USMCA will create more than 176,000 additional jobs and raise annual U.S. gross domestic product by \$68.2 billion. It will increase U.S. exports to Canada by \$19.1 billion and to Mexico by \$14.2 billion. It is obvious USMCA will greatly benefit the Texas economy by spurring job growth and opening more trade access.

The manufacturing community in Texas heavily relies on passage of USMCA. In fact, Mexico and Canada purchase half of Texas' total global manufacturing exports. The Lone Star State's top exports to Mexico and Canada are petroleum and coal products, computer equipment, chemicals, motor vehicle parts, electrical equipment, semiconductors and electric components, fabricated metal products, plastics, engine, turbine and power transmission equipment and food and beverages. These exports totaled more than \$120 billion in 2018 and are responsible for more than 114,000 Texas jobs. Passage of USMCA will help Texas manufacturers be more competitive and create many more jobs in Texas and the U.S.

USMCA would also create much needed certainty for Texas farm and ranch families who contribute to the economy and feed and clothe millions worldwide. Over 60,400 Texas jobs are supported by exporting agricultural products to Mexico and Canada. The annual value of Texas' agricultural exports to our North American neighbors totals more than \$7.2 billion. USMCA would only build on these achievements by breaking down existing trade barriers and opening more market access for products like beef, dairy, corn, wheat and pork.

USMCA provides Texas with greater access to Canada's dairy, poultry and egg markets. It would enhance standards for biotechnology, reduce trade distorting policies, establish modern sanitary and phytosanitary standards and more. Combined with other agricultural provisions in USMCA, the ITC report estimates U.S. agricultural exports to Canada and the rest of the world would increase by \$2.2 billion.

Through updated automotive rules of origin, USMCA encourages manufacturing and economic growth by requiring that 75 percent of auto content be produced in North America. USMCA also drives higher wages by mandating 40-45 percent of auto content be made by workers earning at least \$16 per hour. These improvements will incentivize billions of dollars in additional U.S. vehicle and auto parts production while directly benefiting the Texas automotive industry.

USMCA also includes new provisions to strengthen and fully enforce environmental and labor obligations. The agreement requires parties to adopt and maintain in law and practice labor rights as recognized by the International Labor Organization. It requires worker representation in collective bargaining in Mexico, new provisions to take measures to prohibit the importation of goods produced by forced labor and to address violence against workers exercising their labor rights. These provisions make strides in leveling the playing field for Texas and U.S. workers and businesses.

USMCA also provides a strong framework to support North American energy trade. It will bolster North American competitiveness and help lower our reliance on energy imports from outside the region. It also maintains the free flow of energy across borders in North America through the continued zero-tariff treatment of U.S. energy exports to Mexico and Canada.

In addition, the new agreement will enable U.S. chemical manufacturers to create a North American model for chemical regulation while leveraging the highly-integrated, North American supply chain to reduce costs, boost U.S. exports and inject new growth and job creation throughout Texas and the U.S.

Further, Texas pharmaceutical and technology innovators will enjoy the strongest protections for trade secrets contained in any U.S. trade agreement. USMCA also contains a new digital trade chapter that will facilitate the cross-border transfer of data and minimize limitations on where data must be stored.

As you can tell, passage of USMCA is vital to Texas and our country. We respectfully request that you quickly bring USMCA up for a vote in Congress and support its final passage. Hardworking Americans are counting on your leadership on this important issue.

Sincerely,

Texas Farm Bureau
Texas Association of Business
Accord Irrigation Technologies LLC
AgTexas Farm Credit Services
Allen/Fairview Chamber of Commerce
Apartment Association of Greater Dallas
Association of Texas Soil and Water
Conservation Districts
Baytown Chamber of Commerce

Bryan/College Station Chamber of
Commerce
Cedar Park Chamber of Commerce
Cen-Tex Hispanic Chamber of
Commerce
City of Coppell
Conroe/Lake Conroe Chamber of
Commerce
DanHil Containers
Dallas Regional Chamber

Del Rio Chamber of Commerce
Denton Chamber of Commerce
DFW Minority Supplier Development Council, Inc.
Dumas Chamber of Commerce
Earth Moving Contractors Association of Texas
El Paso Chamber of Commerce
El Paso Hispanic Chamber of Commerce
Exotic Wildlife Association
Farm Credit Bank of Texas
Fort Worth Chamber of Commerce
Freese & Nichols, Inc.
Frisco Chamber of Commerce
Global Tooling Specialties, Inc.
Granbury Chamber of Commerce
Grand Prairie Chamber of Commerce
Grapevine Chamber of Commerce
Greater Arlington Chamber of Commerce
Greater Austin Chamber of Commerce
Greater Austin Hispanic Chamber of Commerce
Greater Dallas Asian American Chamber of Commerce
Greater Houston Partnership
Greater Irving-Las Colinas Chamber of Commerce
Greater Killeen Chamber of Commerce
Greater Port Arthur Chamber of Commerce
Houston Hispanic Chamber of Commerce
Imperative Information Group
Independent Cattlemen's Association of Texas
Ingleside Chamber of Commerce
Intelligent Compensation, LLC
International Bank of Commerce
Lamesa Area Chamber of Commerce
Longview Chamber of Commerce
Lubbock Chamber of Commerce
McAllen Chamber of Commerce

McKinney Chamber of Commerce
Nacogdoches County Chamber of Commerce
North American Strategy for Competitiveness
North Dallas Chamber of Commerce
North San Antonio Chamber of Commerce
North Texas Commission
OnShore Resources
Plains Cotton Cooperative Association
Plains Cotton Growers, Inc.
Plains Land Bank
Plano Chamber of Commerce
Richardson Chamber of Commerce
Rio Grande Valley Hispanic Chamber of Commerce
Rio Grande Valley Partnership
Rolling Plains Cotton Growers, Inc.
San Antonio Chamber of Commerce
San Antonio Hispanic Chamber of Commerce
Select Milk Producers, Inc.
Sherman Chamber of Commerce
South Texas Cotton & Grain Association
South Texans' Property Rights Association
Southern Rolling Plains Cotton Growers Association
Southwest Council of Agribusiness
State Tax Group, LLC
Texas Ag Industries
Texas Agricultural Cooperative Council
Texas Agricultural Irrigation Association
Texas Allied Poultry Association
Texas Association of Dairymen
Texas Association of Mexican American Chambers of Commerce
Texas Border Council
Texas Broiler Council
Texas Business Leadership Council
Texas Cattle Feeders Association

Texas Corn Producers Association
Texas Cotton Ginners' Association
Texas Egg Council
Texas Forestry Association
Texas Grain and Feed Association
Texas Grain Sorghum Association
Texas Independent Ginners Association
Texas Instruments
Texas International Produce Association
Texas Logging Council
Texas Nursery and Landscape Association
Texas Pork Producers Association
Texas Poultry Federation
Texas Poultry Improvement Association
Texas REALTORS®
Texas Rice Council
Texas Rice Producers Legislative Group
Texas Seed Trade Association
Texas Sheep and Goat Raisers Association
Texas and Southwestern Cattle Raisers Association

Texas Soybean Association
Texas Turkey Federation
Texas Wheat Producers Association
The Borderplex Alliance
Texas Border Coalition
United Parcel Service of America, Inc.
United Corpus Christi Chamber of Commerce
U.S. Chamber of Commerce
United States Rice Producers Association
United States-Mexico Chamber of Commerce
United States-Mexico Chamber of Commerce Houston Chapter
United States-Mexico Chamber of Commerce Southwest Chapter
Visit Fort Worth
Vocational Agriculture Teachers Association of Texas
Western Equipment Dealers Association
Western Peanut Growers Association

cc: Sen. John Cornyn
Sen. Ted Cruz
Rep. Colin Allred
Rep. Jodey Arrington
Rep. Brian Babin
Rep. Kevin Brady
Rep. Michael Burgess
Rep. John Carter
Rep. Joaquin Castro
Rep. Michael Cloud
Rep. K. Michael Conaway
Rep. Dan Crenshaw
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