

NAFTA renegotiation is an opportunity for Arizona to lead



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Word last week that USTR Robert Lighthizer [informed](#) Capitol Hill of the Trump administration's opening of a 90-day consultation period with Congress that will set the stage for a formal renegotiation of the North American Free Trade Agreement should be viewed as an opportunity, especially for Arizona.

We've known since the president was sworn in that NAFTA was going under the microscope. Administration rhetoric has ranged from a desire to completely dismantle the agreement, to preserve it and update it.

Ambassador Lighthizer's letter used the word "modernization" in describing the administration's approach to a new NAFTA. Good. Any talk of exiting NAFTA would have not only been unproductive, but it would have damaged our relationships with our friends and neighbors, Mexico and Canada, which happen to be Arizona's top two trade partners respectively.

The Lighthizer letter also says the administration is motivated out of a desire to grow the U.S. economy.

Modernization and economic growth are the right notes to hit. What we shouldn't do is turn a conversation over modernization into one about winners and losers, and use the reopening of negotiations with Canada and Mexico as a chance to raise tariffs in an attempt to remedy the grievances of one sector of the economy or another.

We all win with trade. Producers gain access to new markets, sellers gain access to goods that buyers want, and consumers gain greater choice and lower prices. High tariffs, on the other hand, just get passed on to consumers and make manufacturers' goods too expensive to remain competitive in international markets, putting at risk the nearly [5 million U.S. jobs](#) that result from trade with Mexico, and the nearly [9 million](#) that depend on trade with Canada.

Arizona Sen. Jeff Flake was right on the money when he and several of his Senate colleagues wrote to the new USTR in [a letter](#) last week, "Given that the agreement is more than two decades old, there are areas in which NAFTA will benefit from strengthening and modernization. On the other hand, efforts to abandon the agreement or impose unnecessary restrictions on trade with our North American partners will have devastating economic consequences."

Now that we're in the nascent stages of a NAFTA 2.0, it's incumbent on job creators to speak up about trade's ability to grow the economy and NAFTA's role in establishing North America as an economic powerhouse, a trilateral three amigos of prosperity.

But for Arizona, the stakes are even higher. We should be in the driver's seat when it comes to shaping the next NAFTA.

In addition to Mexico being our top [trading partner](#) by a longshot, and Canada being our number 2 top export destination, as well as maintaining an overall trade surplus, we have two of the most pro-trade U.S. senators in John McCain and Jeff Flake, a big city mayor in Phoenix's Greg Stanton, who has led dozens of trade missions to Mexico, and a governor in Doug Ducey, who has forged the two nations' best cross-border gubernatorial relationship with his counterpart, Sonora Gov. Claudia Pavlovich.

Gov. Ducey understands trade's impact on Arizona's ability to compete with anyone in the world. The coup of landing Lucid Motors' investment in Pinal County was made possible by the governor's ability to speak with confidence and a true belief in his state's relationship with his neighbor, the integrated cross-border supply chains, and an overall jobs-friendly approach to governing.

As the governor said recently in his remarks at [the International State of the State](#) before an audience of the Phoenix Committee on Foreign Relations, Arizona and Mexico's fates are intertwined to a major degree.

We're more than neighbors, he said. Neighbors can move. We can't. So, we should approach our relationship with a prevailing spirit of cooperation and a desire to promote prosperity throughout our entire region, and remind ourselves at every turn that trade should not be some abstract concept between international powers, but instead a real-life facilitator of relationships between buyers, sellers, entrepreneurs, and innovators.

So, let's make those transactions faster, easier, and less expensive, and grow the jobs they generate.

Now is not the time to be passive or to wilt under the responsibility of reshaping our most important trade agreement for today's economy. Arizona is the state best positioned to be the new NAFTA's success story. Let's make it happen.

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The Arizona Chamber of Commerce and Industry is committed to advancing Arizona's competitive position in the global economy by advocating free-market policies that stimulate economic growth and prosperity for all Arizonans. <http://www.azchamber.com/>.