



Policy Resolution 2018-14

International Trade

A. BACKGROUND

1. International trade is a crucial economic driver across the West. Businesses in the West rely on accessing markets in Canada, Mexico, and across the world. This is especially true in the agricultural sector and among manufacturers, energy producers, and exporters of services.
2. Mexico and Canada are the two biggest international trade partners with western states. In 2017, western state exports to Mexico and Canada totaled over \$142 billion and \$68 billion, respectively. Imports from Mexico and Canada totaled over \$154 billion and \$109 billion, respectively.
3. 10.7 million American jobs were supported by goods and services exports in 2016. 6.3 and 4.4 million jobs were supported by the export of goods and services, respectively. The export of goods supported over 2.5 million jobs in western states.
4. The North American Free Trade Agreement (NAFTA) was signed by the United States, Canada, and Mexico in 1992, and came into effect in 1994. NAFTA has not undergone any major changes since it was signed. In that time, many industries and sectors have changed or developed.
5. On May 18, 2017, the Trump Administration sent a 90-day notification to Congress of its intent to renegotiate NAFTA. There have been many meetings among the three countries to renegotiate and update the agreement.

B. GOVERNORS' POLICY STATEMENT

1. Western Governors support federal trade policies that provide stability and predictability to western producers, businesses, and communities that rely not only on access to export markets, but also the cross-border, integrated supply chains essential for many industries.
2. Western Governors acknowledge the need to modernize multi-lateral trade agreements. These agreements can and should be examined to recognize advances in science and technology, resolve outstanding issues, protect U.S. workers and the environment, address the growing importance of digital trade, protect intellectual property, and ensure that the rules established by these agreements are enforced by all parties. We urge that any proposed changes not be instituted without input from critical industry stakeholders in the western United States, and ultimately only be adopted without negatively affecting our citizens' ability to compete in international markets or harming our overall economic competitiveness.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

Western Governors enact new policy resolutions and amend existing resolutions on a bi-annual basis. Please consult www.westgov.org/policies for the most current copy of a resolution and a list of all current WGA policy resolutions.