

October 17, 2019

The Honorable Richard Neal
United States House of Representatives
2309 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Neal:

On behalf of the Association of Equipment Manufacturers (AEM) representing the interests of our more than 1,000 members and the 1.3 million men and women who manufacture heavy-duty, off-highway construction, agriculture, utility, forestry and mining equipment, we urge you to expeditiously conclude negotiations over changes to the United States-Mexico-Canada Agreement (USMCA). The USMCA will provide certainty to U.S. businesses, further increase market access for agricultural commodities, and bring the trilateral agreement into the 21st century by covering digital trade. In order to reap these benefits for the American people, Congress must first move forward with passing the agreement.

Perhaps one of the most important benefits of the agreement is the recommitment to duty-free trade between the U.S. and two of its largest trading partners and closest allies. This is especially true for equipment manufacturers as Canada and Mexico are our largest two export markets, and together purchase nearly one-third of U.S. manufactured equipment that is exported. Reasserting our nation's commitment to duty-free trade with Canada and Mexico provides certainty to all U.S. businesses required for long-term planning and investment decisions.

It is not just the business community that will benefit from the USMCA. Farmers and ranchers have struggled over the last couple of years as a result of tariffs, poor planting seasons, and declining agricultural commodity prices. The increased market access for agricultural products included in the USMCA, especially in the Canadian market, will help buoy their prospects moving forward. However, the U.S. agricultural community cannot take advantage of these benefits as long as the agreement is stalled.

The North American Free Trade Agreement (NAFTA) was created during the infancy of the internet, before the prevalence of e-commerce and the rise of digital goods. The USMCA updates NAFTA for the 21st century and reflects the reliance of the economy on the internet. Even the equipment that our members produce is dependent on data transfers. The provisions of the USMCA will ensure that equipment can properly function in the most cost-effective and efficient manner.

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While AEM understands that members of the working group are attempting to tackle outstanding concerns with the agreement, we urge you to move forward quickly. Working families, farmers and ranchers, businesses including equipment manufacturers, and all Americans are waiting for Congress to approve the agreement so our entire economy can benefit from the USMCA.

Sincerely,



Dennis J. Slater
President
Association of Equipment Manufacturers (AEM)