



SouthEastern Arizona Governments Organization

Serving our member governments and their constituents since 1972

August 29, 2019

SEAGO Member Entities

Cochise County
Benson
Bisbee
Douglas
Huachuca City
Sierra Vista
Tombstone
Willcox
Graham County
Pima
Safford
San Carlos
Apache Tribe
Thatcher
Greenlee County
Clifton
Duncan
Santa Cruz County
Nogales
Patagonia

SEAGO Main Office

- **Administration**
- **Community and Economic Development**
- **Transportation**

1403 W. Hwy 92
Bisbee, AZ 85603
520-432-5301
520-432-5858 Fax

Area Agency on Aging Office

300 Collins Road
Bisbee, AZ 85603
520-432-2528
520-432-9168 Fax

www.seago.org

Honorable Congresswoman Ann Kirkpatrick
309 Cannon HOB
Washington, DC 20515

Subject: Letter of Support: U.S.- Mexico - Canada Agreement (USMCA)

Dear Congresswoman Kirkpatrick:

As you may know, the SouthEastern Arizona Governments Organization (SEAGO) is the regional planning agency for the four-county region of Cochise, Graham, Greenlee and Santa Cruz counties. SEAGO has been designated as an Economic Development District (EDD) by the U.S. Economic Development Administration since 1991. As an EDD, SEAGO frequently supports policy initiatives that have the potential to enhance and sustain the economic prosperity of our region and State.

I'm writing to respectfully request that you to support the swift ratification of the USMCA when Congress reconvenes in September. The importance of Arizona's trade relationship with Mexico and Canada – our state's top two trading partners – simply cannot be overstated. On average, between 2015 and 2017, Arizona exported \$10.5 billion annually to these two critical markets. In addition, more than 228,000 Arizona jobs, and more than 2 million American jobs are dependent on the annual trade and investment relationship with our neighbors to the north and south.

The SEAGO Executive Board has consistently supported international trade and commerce as a principal driver of Arizona's economy. In February 2018, the Board adopted Resolution No. 2018-01, which urged the trade delegations from the U.S., Mexico and Canada to update and modernize NAFTA, and when ratified by Congress, the USMCA will do just that. The USMCA builds on Arizona's already highly competitive business environment, and positions Arizona for even more robust economic growth through improvements to rules of origin, expanded agricultural sector access, and enhanced protections for intellectual property.

Indeed, economic growth and job retention/creation are issues that should transcend partisan differences – especially at a time when critical indicators are signaling growing weaknesses in the U.S. and global economies. As a result, SEAGO enthusiastically encourages your strong support when the USMCA comes before Congress for consideration. Should you have any questions regarding this letter, please don't hesitate to contact me at (520) 432-5301 Extension 202, or rheiss@seago.org.

Respectfully,

Randy Heiss
Executive Director

Enclosure: Resolution No. 2018-01



SouthEastern Arizona Governments Organization

Serving our member governments and their constituents since 1972

RESOLUTION NO. 2018-01

A RESOLUTION OF THE SOUTHEASTERN ARIZONA GOVERNMENTS ORGANIZATION SUPPORTING THE CONTINUATION OF THE NORTH AMERICAN FREE TRADE AGREEMENT

WHEREAS, on January 1, 1994, the U.S. formally entered into the North American Free Trade Agreement (NAFTA) which, among other things, removed many tariffs and other barriers to trade between the U.S., Mexico and Canada, and facilitated increased trade in agriculture, textiles, and automotive manufacturing.

WHEREAS, according to the U.S. Chamber of Commerce, trade with Canada and Mexico has nearly quadrupled to \$1.3 trillion since the enactment of NAFTA, and now supports nearly 14 million American jobs; and

WHEREAS, since NAFTA took effect, trade volumes between Mexico and Arizona have increased by more than 300%, with 41% of Arizona's exports now going to Mexico; and

WHEREAS, NAFTA's positive impact on the Arizona economy has been well documented by extensive analysis and data. For example, in 2016:

- Arizona experienced a \$900 million trade surplus with Mexico, with exports to Mexico of \$8.3 billion and imports from Mexico of \$7.4 billion, according to International Trade Association data.
- Arizona exports to Canada reached \$2.1 billion according to International Trade Association data.
- U.S. exports to Mexico through Arizona ports of entry reached \$11.9 billion.
- The fresh produce import and distribution industry in Santa Cruz County, Arizona supported more than 4,000 jobs.
- A large majority of Arizona's metal ores (96%), engines and turbines (91%), and vegetables and melons (77%) were exported to Mexico and Canada; and

WHEREAS, since announcing the United States' intention to renegotiate NAFTA, six out of seven negotiating sessions held by and between the NAFTA trade partners have produced few points of agreement, and the Administration has indicated that if the U.S. is unable to reach agreement on specific negotiating objectives, it may terminate the Agreement; and

WHEREAS, an analysis by the U.S. Chamber of Commerce concluded that if NAFTA was terminated, Arizona risks the elimination of 236,000 direct and indirect border related jobs.

SEAGO Member Entities

Cochise County

Benson

Bisbee

Douglas

Huachuca City

Sierra Vista

Tombstone

Willcox

Graham County

Pima

Safford

San Carlos

Apache Tribe

Thatcher

Greenlee County

Clifton

Duncan

Santa Cruz County

Nogales

Patagonia

SEAGO Main Office

- **Administration**
- **Community and Economic Development**
- **Transportation**

1403 W. Hwy 92
Bisbee, AZ 85603
520-432-5301
520-432-5858 Fax

Area Agency on Aging Office

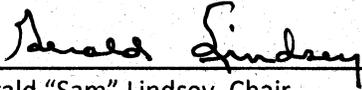
300 Collins Road
Bisbee, AZ 85603
520-432-2528
520-432-9168 Fax

www.seago.org

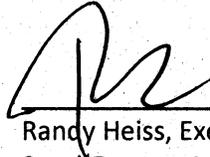
NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1) That the SEAGO Executive Board recognizes that, as a 24 year old trade agreement, it is understandable and advisable that NAFTA be thoroughly reviewed by each of the affected countries, and modernized to reflect the economic changes that the U.S., Mexico, and Canada have experienced over the past 24 years; and
- 2) That the SEAGO Executive Board urges the affected countries to update and modernize the trade agreement, and agree to mutually acceptable terms consistent with the respective countries' current economic conditions, relationships, and needs; and
- 3) That the SEAGO Executive Board urges the affected countries to renegotiate NAFTA in good faith, and reach terms favorable to continuing the Agreement as it is critical to maintain the vibrant and successful economic relationship between the U.S., Mexico, and Canada.

Passed and adopted by the SEAGO Executive Board on this 23rd day of February, 2018.



Gerald "Sam" Lindsey, Chair
Executive Board



Randy Heiss, Executive Director
SouthEastern Arizona Governments Organization