



July 24, 2019

The Honorable Mitch McConnell
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Senate Majority Leader McConnell, House Speaker Pelosi, Senate Majority Leader Schumer and House Minority Leader McCarthy:

On behalf of the National Retail Federation (NRF), I am writing to express our support for the ratification of the U.S.-Mexico-Canada Agreement (USMCA). This agreement provides significant updates to the North American Free Trade Agreement (NAFTA), which has benefitted U.S. retailers, workers and consumers for the past two decades. Ratifying USMCA is key to ensuring continued growth in the North American market. Please note that NRF may consider votes on USMCA and related procedural motions as Opportunity Index Votes for our annual voting scorecard.

By way of background, NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy.

NRF and its members have been very supportive of NAFTA, as well as other free trade agreements that open up sourcing opportunities and foreign markets for retailers to provide high-quality products to consumers in the U.S. and around the world. The 25-year old agreement has spurred economic activity between the three countries by creating new value chains that enable each country to contribute to the cost of production of key consumer goods, ensuring that the prices of those goods to American families are as competitive as possible. However, we recognize that due to its age, the agreement does not reflect today's global value chains or many of the new ways of doing business in the global economy. NRF supported the administration's efforts to modernize NAFTA to reflect today's business environment and support long-term U.S. economic growth.

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That is why we are encouraged by some of the new and updated provisions in USMCA relating to digital trade, cross-border data flows, and customs and trade facilitation. The Internet has changed the way everyone does business, along with ways that consumers purchase goods and interact with retailers. Also, as value chains have deepened, cross-border data flows have grown. These modernized provisions will help ensure that the new agreement reflects today's global economy. More importantly, USMCA continues the beneficial relationship with the nation's top trading partners, which provides certainty for U.S. companies that rely on the North American market for goods and services, including retailers and restaurants that operate in Canada and Mexico.

U.S. retailers are the primary direct link between American families, farmers, workers, and producers in the United States, Mexico and Canada. We are supportive of the important updates that have been achieved under USMCA, which will continue to provide benefits for the U.S. economy. On behalf of America's retailers, we urge Congress to approve USMCA and support the millions of American jobs that rely on North American trade.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized and cursive.

David French
Senior Vice President
Government Relations

cc: Members, United States Senate
Members, United States House of Representatives