



## **A CALL FOR SOUND BUSINESS DECISIONS IN OUR TRADE NEGOTIATIONS**

**An Op-Ed by Mr. Carlos Valderrama, President of the Center of Global Trade & Foreign Investment at the Los Angeles Area Chamber of Commerce**

The renegotiation of the North American Free Trade Agreement (NAFTA), and the possible renegotiation of the US-Korea Free Trade Agreement (KORUS) make daily headlines in newspapers and trade publications around the globe. They attract international attention because they will affect nearly every country in the world, not just the United States, Mexico, Canada and South Korea. Thousands of companies headquartered in foreign countries that are not directly involved in the negotiations, but are part of the global supply chain and global economy will be impacted. Many of these companies also have jobs and investments in the United States.

The second round of NAFTA negotiations recently concluded in Mexico. The third round is scheduled to be held in Canada later this month. We believe that more meetings will need to take place before a final trilateral document is agreed upon by the three NAFTA partners. The Chamber recommends that U.S. Trade Representative (USTR) negotiators not tie themselves to a political timetable for reaching an agreement. The final document should be based on sound business decisions and lessons learned from past mistakes, past successes, and a world that is changing every day because of new technology.

The USTR is the only U.S. government agency responsible for negotiating free trade agreements, bilateral accords and other commercial arrangements with nations around the globe. Given the size of the global economy and the fact that Mexico and Canada are our first and second top trading partners in terms of U.S. exports and South Korea is our seventh largest trading partner, these responsibilities are enormous and daunting. Hundreds of thousands of U.S. firms are counting on these agreements to help them become more competitive in selling to the 95 percent of the world that does not live in the United States.

The Chamber applauds the victories that the USTR negotiators have achieved in years past in ensuring that U.S. firms have the opportunity to become more competitive in foreign lands and increase sales of U.S. products, services, and technology. The successes of these commercial and industrial exchanges, including the protection of intellectual property, are reflected in additional employment in our cities, counties and states.

The past 23 years of NAFTA, and five years of KORUS have taught us that increasing trade with other countries contributes to our economy, creates American jobs and

benefits American consumers. They have also taught us that trade agreements require adjustments and improvements over time to make them better. The private sector, chambers of commerce, professional organizations and publically financed support agencies have gained much practical experience in trade matters. Our one final recommendation to the USTR is to place great value on feedback and comments provided by the business community from all over the nation and use them as a strategic tool in the negotiations. This will result in a working document that will contribute to the U.S. economy and our citizens over the decades.