

After months of negotiations surrounding the North American Free Trade Agreement (NAFTA), President Donald Trump, Canadian Prime Minister Justin Trudeau, and former Mexican President Enrique Peña Nieto signed the United States-Mexico-Canada Agreement (USMCA) in November 2018. This agreement modernizes trade relations between the three countries while ensuring that goods continue to flow across North America without detrimental tariffs. Recognizing the importance of international trade to the US economy, the United States Congress should swiftly ratify this agreement.

International trade is key to the continued success of the State of Iowa, as well as the Ames and Story County community. In all, 456,300 Iowa jobs are supported by trade. In 2017, Iowa exported \$13.209 billion of goods worldwide. Of that total, Canada ranks first and represented 30.58% or \$4.039 billion of that market. Mexico was second and represented 16.94% or \$2.238 billion of that market. Therefore, Canada and Mexico represent 47.52% or \$6.277 billion of Iowa's total export market. Of that total, Ames' local export value totaled \$317 million, or 3.8% of Iowa's total export value. Our neighbors to the north and south receive the bulk of our local exports.

In 2017, Iowa exports to US free trade agreement partners totaled \$7.6 billion, which is 57% of Iowa's total exports. Since 2007, exports from free trade agreement markets have grown by 37%. Top dollar growth areas were: NAFTA: \$1.418 billion; Australia: \$179 million; Central America/Dominican Republic: \$126 million; Korea: \$92 million; and Columbia: \$48 million.

The USMCA will do more than maintain the critically important free trade bloc created by NAFTA; it will modernize the trade relationship between the US, Canada, and Mexico. The way the world conducts business has changed significantly since NAFTA was signed in 1993. New digital trade provisions are among the most important updates, as they will guarantee the movement of data across borders, which will allow for continued growth of the digital economy in North America.

The USMCA will also allow for the continued movement of workers across borders. This is key to the Iowa agricultural and manufacturing economy, two of the state's top business sectors. Other important improvements include modernization of intellectual property regulations to protect US innovation, new labor standards that will increase the competitiveness of American manufacturers, new customs procedures that will make it easier for small business to conduct international trade, and increased access to Canadian markets for American dairy farmers.

Trade is an engine that drives the Iowa economy, and prompt ratification of the USMCA by the United States Congress will ensure all three economies continue to benefit from an alliance that has promoted economic growth across North America for generations.