



NEW ENGLAND-CANADA
BUSINESS COUNCIL

June 26, 2018

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The New England-Canada Business Council (NECBC) respectfully requests that your Administration reconsider announced tariffs on steel and aluminum products from Canada. In our view, the balance of trade between the United States and Canada in goods and services is in fact quite well-balanced. Our concern is that the proposed U.S. tariffs, and subsequently-announced countervailing duties on other products by Canada, will be detrimental to our two national economies – and to our regional economy in the northeastern U.S.

The NECBC is a non-profit organization based in Massachusetts that was formed over thirty-five years ago. As a U.S.-based business organization dedicated to advancing “the understanding of business, political and cultural issues between Canada and the United States,” we encourage efforts to increase trade opportunities between the U.S. and Canada, as well as among their common trading partners. Our membership is comprised of business leaders from a wide range of sectors including finance, energy, transportation, high tech, biotech and professional services.

In our region of New England, with three states sharing a border with Canada, we know first-hand the benefits of trade agreements in facilitating commerce and day-to-day business cross-border. We import substantial goods and services from Canada, but in turn, Canada is our number one customer, importing billions of dollars annually in products and services from companies in our states. It is a vital, long-standing and important trading relationship, encompassing energy and electricity, financial services, food and lumber, machine parts, finished goods, university exchanges, innovation ecosystem services, life sciences, technology, tourism, and sports and culture.

Nearly half a million jobs in our six-state region are dependent on trade and investment with Canada. Canada is the top export destination for five of the six New England states, and is the number 3 export market for Connecticut. Canada is the top import market for all six New England states.

Canada is a great ally of the United States in so many areas, including security and defense. Our own U.S. federal data indicates that the level of trade between our two nations is indeed well-balanced and mutually beneficial.

President Donald J. Trump

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NAFTA was enacted over twenty years ago and in that time there have been significant economic changes, particularly in the areas of the digital economy and intellectual property. We welcome and encourage the efforts of the U.S., Canada and Mexico to update and modernize the agreement, to reflect the new economy and the impacts of trade agreements on particular industries and communities.


We note your leadership on trade issues to highlight concerns of industries and workers in the U.S. impacted by trade agreements. Modernizing the agreement makes sense for all three countries. But maintaining the strong foundation of NAFTA also makes sense, as all three countries trade and prosper.

The imposition of tariffs and the weakening of NAFTA, however, would adversely impact the U.S., in our view, and be particularly challenging to a trade-focused region like New England where our economies are intermingled with Canada on a daily basis. Concerns here are already being felt. In its May 30 update on regional economies, the Federal Reserve Bank noted the concerns in our region "about future effects on prices of tariffs or other changes in trade policy."

In conclusion, we respectfully request that the Administration reconsider planned tariffs on Canada. Working together, through an improved NAFTA, we believe that we can achieve trade that benefits all parties.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon F. Sorenson', with a long horizontal flourish extending to the right.

Jon F. Sorenson
President
New England-Canada Business Council

cc: The Honorable Robert Lighthizer
The Honorable Wilbur Ross
New England Congressional Delegation
New England Governors