

Opening Statement of the Honorable Ted Poe (R-TX), Chairman
Subcommittee on Terrorism, Nonproliferation, and Trade Hearing:
“The Future of the North American Free Trade Agreement”
December 12, 2017

(As prepared for delivery)

23 years ago, the North American Free Trade Agreement revolutionized trade and investment between the U.S., Canada, and Mexico. We share thousands of miles of border with Canada and Mexico. They are our neighbors and our natural partners in trade and security. This partnership has been shaped by NAFTA.

I am a strong supporter of free trade. America’s strength is closely connected to its economic well-being. When we break down trade barriers, American trade and American jobs increase. Trade is the lifeblood of my great home state of Texas. Last year in Texas almost one million jobs were supported by trade. Texas has been the top exporting state in the U.S. for 14 consecutive years. The overwhelming majority of Texas exporters are not big corporations: 93% percent of Texas exporters are small-and medium-sized businesses. In my district in Houston, over half of the economy depends on trade. Houston has one of the largest ports in the world and is the oil and gas capital of the world. And guess where we Texans export the most – Mexico and Canada. Our NAFTA partners.

But, Texas is just one of the many states that rely on NAFTA to fuel its economy. Study after study has shown that increased trade leads to increased jobs for Americans. More jobs mean more wealth for the average American citizen. NAFTA supports 14 million U.S. jobs. Thanks to NAFTA, trade between the U.S., Mexico, and Canada has tripled. Nearly every industry is affected in one way or another by NAFTA. The U.S. economy needs a strong NAFTA.

But free trade agreements like NAFTA do more than just grow our economy. Trade is one of our best tools of foreign policy. We have seen the connection between free trade and freedom, opportunity, and prosperity again and again. When we signed NAFTA, Mexico was a developing country. Its economy was one of the most closed in the world. Now, thanks in part to NAFTA, Mexico has an open economy valued at \$2.2 trillion. This growth has made Mexico a more stable neighbor. This increased trade between our three countries has also deepened our ties with Mexico and Canada, allowing us to work together on many critical issues. Today, we cooperate with the Mexican government on issues of border security, immigration, and the fight against organized crime and drug trafficking. Our southern border security depends on our joint efforts with Mexico. Cooperation with Canada also improved due to NAFTA. Our forces train and work together to defend North America. We fight side by side against national security threats like ISIS and partner as NATO members. These are some of the most critical issues to our national security and to the security of our world.

That brings me to the reason we are all here today. To address the renegotiation of this critical free trade agreement. A lot has changed in 23 years. The internet has transformed the way companies do business. Reforms in Mexico have created new opportunities for U.S. businesses. The renegotiation presents an opportunity to update the agreement in areas like energy, e-commerce, customs and trade facilitation, and many others to strengthen and promote trade.

While there is a lot of opportunity to strengthen the agreement, there is also the risk of hurting U.S. businesses and workers. Hundreds of thousands of jobs across North America could be at risk if we pull out of NAFTA, or if we weaken the agreement. We could also do damage to our partnerships with Mexico and Canada that have made North America so strong.

There has been harsh criticism of NAFTA for decades. But we must separate the rhetoric from the facts. The fact is that NAFTA has benefited all three of our countries. So, I encourage the administration to strengthen and modernize NAFTA. There is always room for improvement. We have a rare opportunity here to rewrite the rules of North American trade. But we must take this opportunity to rewrite them for the better.

It is important to the U.S. economy and national security that throughout the renegotiations the administration focuses on reaching an agreement that promotes free trade. We are sending a message to our current and future trading partners through this renegotiation. The U.S. should send a strong signal of our support for free trade. A strong U.S. economy depends on a strong framework for free trade. I look forward to hearing from our witnesses how the administration can strengthen NAFTA.