



**Recommendations of the North American Electroindustry to
Canada, Mexico, and the United States on the
North American Free Trade Agreement
*November 2017***

Cámara Nacional de Manufacturas Eléctricas (CANAME) of Mexico, Electro-Federation Canada (EFC), and the National Electrical Manufacturers Association (NEMA) in the U.S., transmit jointly the following recommendations to the governments of Mexico, Canada, and the United States, to retain, modernize, and improve the North American Free Trade Agreement (NAFTA).

We call upon the three governments to update NAFTA in ways that

- Increase not hinder market access
- Reduce business costs,
- Materially improve global competitiveness of North American electroindustry companies and their workers

To wit, the Canadian, Mexican and U.S. governments are most strongly encouraged to eliminate unnecessary tariff and non-tariff barriers to trade. In consultation with industry, they should cooperate to enhance future trade in North America.

- NAFTA should support business investments made in North American facilities and workers as part of the North American electroindustry manufacturers' regional and global supply chains. These investments in efficient production must not be penalized by the agreement.
- NAFTA should be updated to enable collaboration on and adoption of aligned technical standards and science-based regulations that prevent trade frictions while upholding safety, security and environmental protections.
 - Promote harmonized requirements that smooth our manufacturers' access to North America and beyond through the inclusion of an electro-technical committee provision in the Technical Barriers to Trade (TBT) chapter
 - Give manufacturers sufficient time to respond and achieve compliance with changes in government standards and regulations

- NAFTA should “level the playing field” by providing competitive market access and national treatment for testing, conformity assessment and inspection services.
 - Sufficient numbers of accredited laboratories must be available before regulations become effective so that manufacturers have time to achieve compliance and maintain market access
 - Testing laboratory marking should be removed as a requirement, while retaining the certification mark requirement, as sometimes manufacturers have more than one testing laboratory for their products
 - Improve regional cooperation among relevant authorities within the NAFTA region to address non-compliant products with respect to safety, energy efficiency, and environmental requirements of the respective countries
- NAFTA should advance meaningful, real-world collaboration on and adoption of best practices in trade facilitation as well as customs compliance and enforcement.
 - Certifying compliance with rules of origin should be simplified to reduce manufacturer burdens and enable greater duty-free trade of qualified products
 - Duty drawback provisions should be harmonized with global best practices
 - ‘Lesser of the two’ rule for refunds should be dropped
 - Additional documentation for Canada and Mexico should be removed
 - Qualifications for duty drawback should be done once for all three countries
 - Canada, Mexico and the U.S. should harmonize classification of products, and interpretations thereof, by Harmonized System codes, to prevent an identical product being imported under one code and exported under another
 - More efficient border crossings including use of remote inspection points and other tools to help relieve congestion at border crossings
 - More digital integration among customs authorities to speed up clearance process
 - Prevent trade in illegitimate or non-compliant electroindustry products, including for safety, environmental, and efficiency regulations and standards as well as violations of intellectual property rights
- NAFTA should remove barriers to digital trade and legitimate movement of data across borders while promoting cybersecurity and protection of personal information.

We are Mexican, Canadian and American workers that produce the products that enable the modern world to function and its societies to thrive.

Our three associations represent some USD 36 billion in NAFTA trade; employers of over 530,000 people; and businesses that are local partners via more than 7,500 facilities in communities across North America. Our businesses, our workers, and our neighbors have prospered under NAFTA, each in their own way in their own place.

We are delivering all the products and promise of the New World to our respective countries as a dedicated team...and a modernized NAFTA that meets the above objectives will only make us a stronger positive force in the world.

All three of our associations are ready to work with the three governments to achieve these ends.

CANAME Electro-Federation Canada NEMA