



BRAD LITTLE
GOVERNOR

March 21, 2019

The Honorable Mike Crapo
United States Senate
239 Dirksen Senate Office Bldg.
Washington, D.C. 20510

The Honorable Mike Simpson
U.S. House of Representatives
2312 Rayburn House Office Bldg.
Washington, D.C. 20515

The Honorable James E. Risch
United States Senate
483 Russell Senate Office Bldg.
Washington, D.C. 20510

The Honorable Russ Fulcher
U.S. House of Representatives
1520 Longworth House Office Bldg.
Washington, D.C. 20515

Dear Idaho Congressional Delegation:

Trade is an integral part of Idaho's economy. We share a common desire to ensure Idaho's companies have a level playing field domestically and internationally.

More than 1,700 companies in Idaho export goods and services to more than 150 countries around the globe. The two most accessible and important markets are right next door. Canada and Mexico combined make up more than 25 percent of Idaho's total exports and nearly 50 percent of Idaho's total food and agriculture exports. It is crucial that the United States-Mexico-Canada Agreement (USMCA) be ratified in order for Idaho's businesses to be able to compete in a global market, diversify their customer bases, and grow their businesses.

Canada alone, as Idaho's number one export market, purchased \$926 million worth of goods ranging from fertilizer and locomotives to precious metals and cattle. Mexico was Idaho's fifth largest market with sales topping \$230 million led by malt, milk powder, frozen potatoes, cheese and electronic integrated circuits. Clearly, the products exported to these two markets reflect a vast range of sectors and businesses from every corner of the state.

The USMCA is important to Idaho because it preserves the important gains made for market access for Idaho products. It will also create additional market access in Canada for Idaho dairy products. More importantly, it will eliminate the Class 7 milk pricing system that created tremendous disadvantages to dairy processors in global markets. Furthermore, it makes progress in the areas of labor, intellectual property, and digital trade. It is imperative that the USMCA be ratified for the benefit of Idaho businesses and rural communities across the state.

In addition to the ratification of the USMCA, the Section 232 tariffs put in place by the Trump Administration have caused significant increases in the price of steel and aluminum. The impact is felt by Idaho companies and has been detrimental to their bottom line. In addition to the increased costs of steel and aluminum, the tariffs placed on a broad swath of U.S. and Idaho exports to both Canada and Mexico have created significant headwinds for our exports. The longer these tariffs remain in place, the more difficult it will be for our companies to re-establish business with lost customers.

It is essential that the steel and aluminum tariffs placed on our neighboring allies be eliminated as well. While the Section 232 tariffs may have a place in dealing with China, I urge the Trump Administration to consider an exemption for Canada and Mexico as initially provided in March of 2018.

I am in strong support of the USMCA and encourage you to vote for the agreement along with a solution on Section 232 tariffs for Idaho's long-term economic prosperity. Please reach out to my teams at the Idaho Department of Commerce and the Idaho State Department of Agriculture if you have any specific trade questions.

Thank you again for the vital work you do each and every day to support our home state.

Sincerely,



Brad Little
Governor