

**Request for Comments on Negotiating Objectives Regarding Modernization of the North American Free  
Trade Agreement with Canada and Mexico  
Docket Number: USTR-2017-0006  
June 12, 2017  
Comments Prepared by: The City of San Antonio**

**Intent to Testify: Rene Dominguez, Director, Economic Development Department**

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San Antonio was the only large U.S. city to give unconditional support to the passage of NAFTA. As a result, our city was the site where The Presidents of the U.S., Mexico and the Prime Minister of Canada met and signed the agreement.

Today, San Antonio supports the renegotiation of NAFTA and recognizes the need for a modernized and updated agreement due to the many changes that have occurred. Internet commerce and Mexico's energy reform for example, did not exist or were not critical issues when the agreement was signed. These are only some of the issues that affect today's business environment and that need to be addressed in the agreement. More importantly, global supply chains now are so inter-connected, that cross border transactions are second nature to global businesses, a fact that is well demonstrated in the automotive industry and our very own Toyota manufacturing plant, amongst others.

Analysis shows that NAFTA has had a sizeable positive economic impact on the San Antonio economy since its inception. Drs. Steve Nivin and Belinda Roman, of the SABER Research Institute, recently conducted a study on the economic impacts of NAFTA on the San Antonio metropolitan economy from 1994 through 2016.

The total number of direct jobs created in the San Antonio economy because of NAFTA amounted to 63,204. The most jobs were created in the professional services and education and health sectors within the San Antonio economy with 12,420 jobs created in each sector. The trade, transportation, and utilities sector also experienced a relatively large gain in jobs at 9,108.

Once multiplier effects are taking into account, the total number of jobs generated by NAFTA amounted to 135,311 positions earning incomes of \$7.2 billion. The increased trading activity due to NAFTA added \$10.6 billion in gross regional product and \$20.5 billion in output across the San Antonio economy.

In summary, if tougher barriers of entry for goods and services were added, the effect would be damaging to American manufacturing communities, importers, exporters and consumers. Similarly it could limit export to Canada and potentially slow economic growth in San Antonio.

**Reasons to Support the NAFTA Reform and its Importance to San Antonio**

1. San Antonio thrives on trade with Mexico.
2. There are still untapped opportunities in Canada and Mexico.
3. The NAFTA strengthens investment promotion for San Antonio.
4. A strategy exists to expand trade in San Antonio and the NAFTA is instrumental to its success.
5. NAFTA has increased the number of foreign and domestic companies selecting San Antonio as the city of establish business.