



October 3, 2019

Members of the Senate Committee on Economic and Small Business Development,

Thank you for the opportunity to speak in support of SR 73, a resolution that would urge Congress to speedily approve the recently negotiated United States-Mexico-Canada Agreement.

It has been more than ten months since the USMCA was signed – yet ratification by the U.S. remains uncertain. We live in a time when automakers, industry suppliers and tech companies across the globe are fiercely competing and innovating to advance electric vehicles, connected cars and autonomous driving technologies. Every day the U.S. fails to approve this free trade deal, it risks falling behind as a mobility leader and jobs creator.

According to the U.S. International Trade Commission, the USMCA is expected to add a net increase of 28,000 U.S. jobs in the automotive sector and increase production of automotive parts, including an annual \$683 million increase in U.S. auto-related investments.

Lingering uncertainty around trade – and the related potential for more tariffs – has made the U.S. a less competitive, riskier place to invest, versus other countries that position themselves as safer bets. And yet we are so close to a positive outcome if the U.S. acts in its best interest to ratify the USMCA without further delay. Today, global companies remain hungry to expand investments in the U.S., so long as we can expect free, fair trade with long-term certainty.

Magna International, a global leader in mobility technologies and one of the largest automotive suppliers in the U.S., grew rapidly during the 25-year history of NAFTA. The elimination of North American trade barriers allowed Magna and the auto industry to integrate supply, manufacturing and distribution networks, as the region became an economically integrated market. Since 2009, Magna has created more than 14,000 new jobs in the U.S. and made more than \$3 billion in U.S. capital investments. Nearly 5,000 of those new jobs were created in Michigan. We now run 56 U.S.-based manufacturing facilities, including new plants in Michigan, generating thousands of high paying jobs.

The USMCA will modernize North American trade and reduce uncertainty by setting the rules for every player, thereby encouraging investment and innovation. The updated pact promises improvements for automakers and suppliers, intellectual property protections, and first-time ever digital trade provisions. The elimination of the U.S.'s steel and aluminum tariffs on Canada and Mexico and Canada and Mexico's retaliatory tariffs cleared a path toward ratification. Outstanding details regarding administrative burden must be resolved, but they must not slow ratification.

While the U.S. delays ratification, Europe and Asia are actively strengthening their positions to compete against North America for auto-related jobs and investments. If ratification in the U.S. does not happen quickly, North America risks becoming an obsolete region in a new era of transportation. If Congress fails to ratify entirely, the U.S. will risk its reputation as a reliable trading partner in the global economy.

For decades, the U.S. led the world in business investment and innovation. The U.S. is poised to lead the new era of advanced mobility and, with the USMCA, North America can become an even stronger economic force on the global stage.

The USMCA offers long overdue stability – it's time to close the deal and move forward together.
On behalf of Magna and our more than 10,500 Michigan employees, I urge you to support SR 73.

A handwritten signature in black ink, appearing to read 'Dex Battista', with a stylized flourish at the end.

Dex Battista
Senior Manager of Government Affairs
Magna International Inc.
750 Tower Drive
Troy, Michigan 48098