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ARIZONA CORPORATION COMMISSION OFFICE OF COMMISSIONER LEA MÁRQUEZ PETERSON

January 3, 2020

Senator Martha McSally 404 Russell Senate Office Building Washington, DC 20515

Re: United States-Mexico-Canada Agreement

Dear Senator Martha McSally,

I write to you today to request your support for the prompt ratification of the United States-Mexico-Canada Agreement (USMCA). As member of the Arizona Corporation Commission, I have the unique opportunity to comment on the USMCA from the perspective of a public utility regulator and the utilities and utility customers we represent. From this perspective, I see the USMCA as providing net benefits for all signatories in the areas of energy, water, and telecommunications policy, which complement and support our push for a cleaner and more interconnected economy.

In particular, I support ratification of the USMCA for its promotion of:

- Energy, including zero-tariff energy trade and nondiscriminatory access to electric transmission across the Arizona-Sonora border to maintain a free flow of energy and power sales into Mexico's growing Sonora economy.
- **Telecommunications,** including nondiscriminatory access to public telecommunications and major suppliers' networks and right of ways to encourage unfettered broadband development and fair business practices across the Desert Southwest.
- **Electric Vehicles,** including provisions designed to encourage electric vehicle makers and suppliers to locate future production in Arizona.
- **Utility Infrastructure,** including the preservation of special dispute resolution protections for power generation and telecommunications investors in Mexico.
- Air Quality, including effective enforcement of existing environmental laws and trilateral cooperation to improve air quality in major metropolitan and rural communities across the Basin and Range Province of North America.
- Water, including cooperation in addressing land and sea-based pollution, promoting waste management infrastructure, and protecting Arizona's natural water resources under prior treaties from exploitation, withdrawal, and export in bulk.



The Arizona Corporation Commission supports improved trade relations and economic development with Mexico and our state's energy, wastewater, and telecommunications partners to the South. As the Arizona Corporation Commission and two of its largest investor-owned utilities begin to discuss building a more robust and interconnected regional grid in the West, we will necessarily need to consider how we connect and interact with our clean energy consumers and suppliers on both sides of the Arizona-Sonora border.

Passage of the USMCA will be especially critical to Arizona's clean energy economy and transportation electrification efforts to-date, strengthening numerous physical, environmental, and economic interconnections that are already in place between Sonora and Arizona. More access to transmission infrastructure between these two partners will provide benefits and clean energy opportunities for everyone, while promotion of electric vehicle charging and production by manufacturers and suppliers will help both neighbors as they strive to achieve shared air quality goals across the region.

I look forward to tackling our region's unique across-border needs together and support passage of the USMCA. Please work with your colleagues in Congress to ratify the USMCA as quickly as possible.

Sincerely,

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Lea Márquez Peterson Commissioner