

Let's Celebrate the United States-Mexico-Canada Agreement

The United States-Mexico-Canada Agreement (USMCA) will enter into force on July 1. The Chamber was [heavily engaged](#) in the process leading to this moment: We championed new provisions in digital trade and competition policy, pushed back against frequent threats to withdraw from NAFTA, and insisted on a trilateral agreement.

Our argument for congressional approval of USMCA – secured in January – was that it would preserve and modernize trade ties to Canada and Mexico, which are by far our largest export markets. North American trade supports more than 12 million American jobs, and the new pact guarantees that virtually all U.S. exports will enter these markets tariff-free. While it falls short in several areas, including [intellectual property protections](#), USMCA's modernization of trade rules promises substantial benefits.

But the devil's in the (implementation) details. We are urging the U.S. Trade Representative (USTR) to ensure that Mexico and Canada live up to their commitments and allow flexibility for our members during the transition. The [auto industry](#) — our largest manufacturing sector — will have to comply with nearly 200 pages of regulations on content and other requirements. Complex new labor rules may also present compliance challenges. With the COVID-19 pandemic and economic downturn making adaptation more challenging, the Chamber has asked the Trump administration to apply these new rules flexibly.

At the same time, the administration is threatening to reimpose tariffs on aluminum from Canada on the very day USMCA enters into force. This would hurt American manufacturers who use aluminum as an input, and Canada would surely retaliate against U.S. exports. Renewed tariff threats are like a horror movie where the villain keeps coming back from the dead. The Chamber is prepared to use a wooden stake to [put an end to these tariffs](#) if that's what it takes.

For most Chamber members, however, the key is that USMCA keeps North American free trade intact. That's a result worth celebrating.

—Myron Brilliant, Executive Vice President, Head of International Affairs and John Murphy, Senior Vice President, International Affairs, U.S. Chamber of Commerce