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November 3rd, 2025

Ambassador Jamieson Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th St. NW
Washington DC, 20508

Re: Request for Public Comments and Notice of Public Hearing Relating to the Operation of the Agreement Between the United States of America, the United Mexican States, and Canada (Docket No. USTR 2025-18010)

Dear Ambassador Greer,

The Consumer Technology Association (“CTA”) welcomes the opportunity to respond to the Office of the U.S. Trade Representative’s (“USTR”) public consultation process in advance of the joint review (“Joint Review”) of the Agreement between the United States of America, the United Mexican States, and Canada (“USMCA” or “Agreement”) on July 1st, 2026. USMCA lays the foundation for a strong North America by advancing economic security, strengthening competitiveness, promoting trade, and integrating supply chains. As USTR reviews the Agreement, **CTA’s core message is clear: we must extend and strengthen the USMCA.**

CTA represents the more than \$537 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members are comprised of over 1200 companies from every facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators, with 80 percent of CTA members being start-ups or small businesses. CTA also owns and produces CES, which showcases and serves as a forum for discussion of global policies, technology, trade and investment, and other innovation. Over 142,000 people attended CES 2025, with over 57,000 from outside the United States.

Benefits of the Agreement

In 2024, goods and services trade within North America totaled an estimated \$1.93 trillion, solidifying Mexico and Canada as the United States' top trading partners.¹ The new re-negotiated USMCA enhanced supply chain resilience and enabled stable access to essential goods even during disruptions.

The USMCA strengthens the relationships with North American partners

The USMCA benefits American consumers by preserving largely tariff-free trade with Canada and Mexico while modernizing rules for the digital economy, which helps keep everyday goods — including technology — more affordable and widely available. Canada and Mexico are trusted regional allies in U.S. supply chains and USMCA has supported these connections as evidenced by the increased trade since coming into force in 2020. The Agreement enhances economic security because it anchors integrated North American production networks, reducing shocks and ensuring reliable access to critical goods and inputs across the United States, Canada, and Mexico. Practical rules of origin and largely duty-free trade incentivize regional content, nearshoring, and investment, building resilient supply chains in the technology sector.

The USMCA supports American manufacturing and creates American jobs

The USMCA supports U.S. manufacturing by preserving duty-free trade and practical rules of origin that reward North American content, sustaining integrated production across the United States, Canada, and Mexico (“the Parties”). It strengthens factory throughput by streamlining customs administration and trade facilitation, reducing delays and compliance burdens critical for just-in-time operations. In fact, one-third of all U.S. imported manufacturing inputs come from Canada and Mexico.² The value of imports of manufacturing inputs from North America is three times greater than those from China. In fact, Mexico has taken steps to reduce trade with China, which strengthens the region's competitiveness.³ Overall, the USMCA creates nearshoring opportunities, helping firms expand U.S. production while leveraging complementary capabilities in Mexico and Canada.

The USMCA creates American jobs by sustaining duty-free trade with Canada and Mexico and reinforcing integrated North American supply chains that keep production, investment, and employment anchored in the United States. According to the Center for

¹ Marroquín Bitar, Diego, Christopher Hernández-Roy, and Earl Anthony Wayne. “USMCA Review 2026: Pathways, Risks, and Strategic Considerations for North America's Economic Future.” Center for Strategic and International Studies, August 18, 2025. <https://www.csis.org/analysis/usmca-review-2026>.

² National Association of Manufacturers. *USMCA Boosted North American Supply Chains*. January 2025. <https://nam.org/wp-content/uploads/securepdfs/2025/01/USMCA-Boosted-North-American-Supply-Chains.pdf>.

³ Mexico's Amendment to the General Law on Import and Export Taxes.

Strategic and International Studies (“CSIS”), in 2024, USMCA-related trade supported 16.3 million jobs, representing an 18 percent increase when compared to the 2019 baseline of 13.8 million.⁴ By improving collaboration among North American partners, the USMCA fosters capital projects and workforce development that translate into good-paying jobs across U.S. sectors.

To continue to fully realize the benefits and ensure a successful review of the Agreement, we urge USTR to resolve as many bilateral issues as possible before the Joint Review.

USMCA-eligible products should be exempt from IEEPA and Section 232 tariffs to ensure certainty

USMCA-eligible products – both inputs and finished products – should be removed from tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) and Section 232 tariffs to ensure certainty in North American supply chains and uphold the intent of the USMCA to facilitate rules-based, seamless trade across the region. Further, if products qualify under the USMCA and are therefore not subject to the IEEPA tariffs, then these products should also not be subject to tariffs imposed through future trade actions including under Section 232.

Removing qualifying goods prevents unintended trade distortions and duplicative protection, reduces compliance burdens and downstream costs for manufacturers and consumers, and strengthens the competitiveness of integrated North American industries. Clear, uniform treatment of USMCA-origin goods also supports jobs across the United States, Canada, and Mexico while keeping national security tools targeted and effective without undermining trusted partners operating under shared commitments.

Provisions to be Maintained

Digital Trade

Given the fundamental importance of digital trade to the modern economy and North American competitiveness, CTA strongly supports maintaining the USMCA’s high-standard digital trade rules.⁵ For example, these rules protect cross-border data flows and prohibit forced data localization, so they are crucial for fostering innovation and ensuring the seamless operation of digital services across North America. These rules also prohibit the Parties from requiring companies to disclose software source code, encryption keys, and algorithms as a condition of market access. Weakening these

⁴ Marroquín Bitar, Hernández-Roy, and Wayne, “USMCA Review 2026.”

⁵ USMCA– Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

provisions or even questioning their efficacy would undermine the competitiveness of the technology sector, hinder growth, and disrupt the integrated digital marketplace that USMCA has helped create.

Rules of Origin

CTA expects that the review of the USMCA may prioritize adjustments to the Rules of Origin (ROOs). We implore the USTR to avoid increasing the restrictiveness or complexity of the requirements. Specifically, higher regional value content thresholds could impose undue burdens on the consumer technology industry. Increasing tariffs for goods traded among the three Parties would defeat the purpose of the USMCA in promoting regional trade and integration. We encourage policymakers to maintain a balanced approach to ROO that supports the industry's competitiveness and aligns with the agreement's original intent as well as respecting the enforcement and adjudicative mechanisms already in place. Should policymakers decide to modify ROO, we recommend adjusting legal procedures through the Free Trade Commission ("FTC") function as specified in Article 30.2 of the USMCA and creating a mid- and long-term plan for gradual increases rather than an immediate increase.⁶

Transshipment

There is increasing pressure on the issue of transshipment.⁷ We remind USTR that laws are already in place that make tariff evasion illegal. However, should USTR choose to develop additional rules, we recommend they avoid imposing full supply chain sourcing certifications that would reduce USMCA use and be highly burdensome or even unworkable for small and mid-size companies. Practical enforcement mechanisms – including targeted audits, improved data-sharing, and customs cooperation – should not penalize legitimate North American trade. Doing so could hurt trade and impose costly burdens. If the United States intends to impose restrictions on the use of such inputs in goods produced in Mexico or Canada, those requirements should be viewed through the ROO framework established in Annex 4-B⁸ and modified through the FTC function specified in Article 30.2 of the USMCA.⁹

⁶ USMCA – Chapter 30 – Administrative and Institutional Provisions, <https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/30-Administrative-and-Institutional-Provisions.pdf>.

⁷ Executive Order 14326, *Further Modifying the Reciprocal Tariff Rates*, 90 Federal Register 37963 (July 31, 2025), <https://www.federalregister.gov/documents/2025/08/06/2025-15010/further-modifying-the-reciprocal-tariff-rates>.

⁸ USMCA – Annex 4-B – Product-Specific Rules of Origin. <https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/04-Rules-of-Origin.pdf>.

⁹ USMCA – Chapter 30 – Administrative and Institutional Provisions, <https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/30-Administrative-and-Institutional-Provisions.pdf>.

We and our members also recognize that the Parties must take steps to address ongoing trade challenges and strengthen their relationship.

Provisions that Require Full Implementation

CTA advocates for the full implementation of key the chapters of USMCA, which will play a critical role in accelerating the diversification of supply chains across North America.

Chapter 7 on Customs Administration and Trade Facilitation

We seek cooperation on streamlining customs procedures and enhancing transparency to reduce delays and improve efficiency in cross-border trade, particularly for time sensitive tech products.¹⁰

Chapter 11 on Technical Barriers to Trade (“TBT”)

We ask that USMCA ensure that technical regulations and conformity assessment procedures are non-discriminatory and aligned across all three parties. This alignment will reduce unnecessary costs and barriers for the technology industry, allowing companies to operate seamlessly across borders.¹¹

For example, in Mexico there are limitations on importing uncertified devices used for development, testing and research. These limitations do not exist in the United States. This misalignment creates an unnecessary technical barrier to trade and hinders technological advancement.

The TBT Committee should consider proposals for additional mechanisms to promote alignment around standards in technical regulations. In particular, Article 11.5.3 could be revised to promote the adoption on standards that reflect principles such as democratic values, uphold the rights of individuals, and reinforce the rules-based international trading system.

The TBT Committee should consider proposals for sector-specific initiatives on digital technologies, as outlined in Article 11.11.3(d), including:

- Aligning cloud and artificial intelligence (“AI”) rules across North America to drive adoption and strengthen security through digital modernization.

¹⁰ USMCA – Chapter 7 – Customs Administration and Trade Facilitation, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/07_Customs_Administration_and_Trade_Facilitation.pdf.

¹¹ USMCA Chapter 11 – Technical Barriers to Trade, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/11_Technical_Barriers_to_Trade.pdf.

- For AI: affirm fair use/fair dealing; apply good regulatory practices (including regulatory forbearance); avoid fragmented standards; and pursue joint initiatives on energy and workforce readiness.
- For cybersecurity: promote risk-based, standards-aligned practices (especially for SMEs and public institutions); ensure regulatory compatibility and transparency; secure ICT supply chains; and encourage vendor commitments to auditable trust and transparency.

Sectoral Annex 12-C on Information and Communication Technology (“ICT”)

Full implementation of this annex will promote regulatory cooperation and interoperability, making it easier for tech products to move freely across the region and fostering innovation in the technology sector.¹²

Chapter 28 on Good Regulatory Practices

We ask that good regulatory practices across all Parties ensure transparency, predictability, and the avoidance of unnecessary barriers to trade. This will create a more favorable environment for companies looking to diversify supply chains away from concentrated markets, such as China.¹³

Provisions to Strengthen

These recommendations only apply if the three Parties decide to update the text of the Agreement.

Investor-State Dispute Settlement Mechanism

CTA underscores the importance of healthy investor and investment protections to support the diversification of supply chains across North America. Should the three Parties choose to revisit the Investment Chapter of the USMCA, we favor stronger investment and investor protections. In addition, CTA hopes the United States makes greater use of state-to-state dispute settlement provisions in the Agreement to address investment problems in Mexico.

Financial Services Provisions

The USMCA review should seek to strengthen provisions that would address financial services concerns that have arisen under the Agreement and also improve cooperation and transparency between the governments and with industry. In particular:

¹² USMCA – Annex 12-C – Information and Communication Technology,
https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/12_Sectoral_Annexes.pdf.

¹³ USMCA – Chapter 28 – Good Regulatory Practices,
https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/28_Good_Regulatory_Practices.pdf.

- Article 17.19: The FTC could consider forming a dedicated Fintech Working Group under the Financial Services Committee to coordinate on issues related to digital financial services, standards, and best practices could help align the regulatory approaches of the three countries.
- Article 28.17: This article could be enhanced for regulatory cooperation and information sharing on emerging financial technologies and cybersecurity threats. This could facilitate joint efforts to develop appropriate supervisory practices.

Data localization

Article 19.11 could be strengthened to explicitly prohibit unnecessary requirements that may result in de facto or de jure data localization and ensure the free flow of data and information across borders.¹⁴ This would enable institutions to leverage the best options available on cloud computing, data analytics, and other digital technologies. The Parties could consider narrowing the scope of permitted cross-border restrictions under a stricter national security requirement rather than the current broad “legitimate public policy objective” standard.

Competitiveness Committee

The Competitiveness Committee established in Article 26.1 should identify critical minerals and advanced manufacturing as cooperative activities in support of a strong economic environment that incentivizes production in North America.¹⁵

Proposed New Provisions and Side Letters

If the three Parties decide to launch a renegotiation, CTA recommends adding these commitments as provisions or side letters:

Non-Discriminatory Regulatory Thresholds

The three Parties could consider a proposal for the FTC to modify text in Article 19.4 that explicitly prevents the use of regulatory thresholds designed to capture U.S. companies, such as thresholds based on revenue and/or number of users.¹⁶ This could relate to clarifying that core trade principles of non-discrimination related to national treatment and most favored nation apply to the scoping of regulations on digital products and services. It should be clear that regulations that utilize thresholds based

¹⁴ USMCA – Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

¹⁵ USMCA – Chapter 26 – Competitiveness.

https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/26_Competitiveness.pdf.

¹⁶ USMCA– Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

on factors such as number of users or revenue to narrowly cover specific companies are actionable under the agreement.

Digital Services Taxes

The three Parties could consider a proposal for the FTC to modify text in Article 19.4 that would prohibit Parties from adopting digital services taxes.¹⁷

Aligned and Non-Discriminatory Cybersecurity Certification Standards

The Parties could consider a proposal for the FTC to modify text in Article 19.15 that would align implementation of non-discriminatory cybersecurity certification standards across the three countries.¹⁸ This would address the increasingly prevalent trend of governments using cybersecurity measures as a means to discriminate against non-domestic digital or cloud service providers. These types of policies prevent governments and consumers from having access to the best-in-class services available on the market and undermine cybersecurity broadly.

The Agreement could consider adoption of common cybersecurity frameworks from the National Institute of Standards and Technology (“NIST”) or the International Organization for Standardization (“ISO”) as a framework. This would provide a consistent set of standards for businesses operating in all three countries, reducing the need to comply with divergent national regulations.

For example, the United States should seek to resolve a few key differences between the U.S. Cybersecurity Maturity Model Certification and Canada's developing Canadian Program for Cyber Security Certification. The actual security controls implemented differ due to using different versions of the NIST standard. This creates potential challenges for companies operating in both markets, as they may need to navigate slightly different requirements and processes to achieve certification in each country.

Further, the FTC could establish formal mechanisms in Article 19.15 for industry and governments to collaborate on cybersecurity policies, best practices, and threat information sharing relevant for cross-border business operations.¹⁹

Reporting requirements

The three Parties could consider a proposal for the FTC to modify Article 5.3 to align requirements governing origin certificates and steel country-of-origin reporting, thereby

¹⁷ USMCA– Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

¹⁸ USMCA– Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

¹⁹ USMCA– Chapter 19 – Digital Trade.

<https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19-Digital-Trade.pdf>.

eliminating duplicative reporting.²⁰ Despite the North American trade bloc's goal of facilitating commerce, each Party has imposed burdensome reporting, auditing, and administrative obligations through its legislative processes, undermining that objective.

Ongoing CTA Trade Concerns with Mexico

Judicial Changes

While the Mexican government has the sovereign right to amend its constitution, the constitutional change in 2024 that has reshaped the country's judicial system will damage the long-standing trade and investment relationship between the United States and Mexico, as well as the rights of U.S. companies under the USMCA. We respectfully urge the United States government to raise these concerns and recommend that the Sheinbaum Administration reverse course and adopt a more deliberate and thoughtful approach. Removing all judges and replacing them through popular election poses serious risks to the rule of law and the administration of justice in Mexico. Without fair and predictable legal recourse for American investors, the enforcement of the USMCA may face additional challenges in the Investment chapter.

Constitutional Appeal Law ("AMPARO Law") Reforms

The reforms to the Amparo Law raises regulatory risk by limiting courts' ability to suspend administrative acts and narrowing eligibility relief, reducing predictability for businesses that rely on permits or authorizations. If the changes are perceived as limiting the ability to challenge government actions or weakening constitutional safeguards, investors may fear increased risks and less recourse in disputes. Such perceptions could deter both domestic and foreign investors, undermining confidence in the rule of law and the stability of the investment climate. Moreover, if these reforms result in prolonged or more complex judicial processes, they could increase costs and delays, which are unfavorable for business operations and investments. Again, we respectfully urge the United States government to raise these concerns and recommend that the Sheinbaum Administration reverse course on these reforms.

Barriers for Cloud in Financial Services

Mexico continues to enforce a 2021 regulation which requires electronic payment fund institutions to maintain a business continuity plan in the case of disaster recovery that relies on either (1) a multi-cloud approach with at least two cloud service providers from two different jurisdictions, or (2) an on-premise data center in country that doesn't depend on the primary (i.e., foreign) cloud provider.²¹ The approvals process run by the

²⁰ USMCA – Chapter 5 – Origin Procedures.

https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/05_Origin_Procedures.pdf.

²¹ Law To Regulate Financial Technology Institutions, <https://www.banxico.org.mx/regulations-and-supervision/d/%7BBCED7618-FED0-6513-EB07-28D9B60CE0FC%7D.pdf>.

National Banking and Securities Commission that is required for financial services companies to use cloud services is resource intensive and is discriminatory towards foreign cloud providers, whereas existing local on-premise data centers only need to complete a shorter notification process.

This de facto data localization requirement is in addition to an already complex and time-consuming process that electronic payment fund institutions face in order to gain regulatory approval to use offshore cloud infrastructure whereas in country infrastructure enjoys a more expedited process. The United States has raised concerns with the Mexican government that the requirements relating to use of cloud service suppliers by electronic payment fund institutions have a negative competitive impact on the business of U.S. service suppliers.

“Kill-Switch” and Article 30-B in the 2026 Economic Package

A proposal in Mexico’s Economic Package would require digital service providers to grant the Tax Administration Service (“SAT”) permanent, real-time online access to their systems and records related to operations in Mexico. Non-compliance could result in the temporary blocking of digital – widely referred to as the “kill-switch” – as outlined under the Value-Added Tax Law (“LIVA”). Additionally, the SAT would coordinate with the newly created National Agency for Digital Transformation and Telecommunications to manage the technological infrastructure and data analysis associated with this obligation. These authorities have stated that the intention of this proposal is to capture Chinese ecommerce companies, but the language is broad and captures all providers. Both the new provision and the existing “kill-switch” provision raise serious concerns regarding Mexico’s USMCA commitments.

Other SAT Taxation Issues

Another serious concern is SAT’s decision to reinterpret Mexico’s Value Added Tax (“VAT”) law retroactively. SAT’s new approach denies companies the ability to claim refunds for VAT amounts included in claims paid to third party suppliers, even though this practice was previously permissible. SAT’s retroactive application of the law, extending back to 2015, has led to demands for repayment of previous refunds and the imposition of fines and interest on U.S. and global companies that had complied with practices recognized by SAT.

Furthermore, some companies report VAT double taxation issues. SAT has asserted that, in addition to already-paid import VAT under Mexico’s Industria Manufacturera, Maquiladora y de Servicios de Exportación (“IMMEX”) virtual export program, companies must also pay input VAT on the same goods. These developments raise concerns for U.S. and global companies using IMMEX as a component of their North American manufacturing strategy.

Changes to Customs Duty Rates

A proposal to amend Mexican customs law would significantly change its customs duty structure by eliminating the simplified tariff classification system for low-value shipments under US\$2,500, previously known as "T1". Under the new system, the Secretariat of Finance will replace the current flat duty rates ("tasa global") with variable rates. Without an exemption for USMCA partners, shipments valued between US\$50 and US\$2,500 will likely incur higher duties than the current flat rates of 17 to 19 percent. This change not only increases operational burden but also introduces new risks related to misclassification and heightened regulatory scrutiny.

In addition, authorities now require extensive supporting documentation to confirm the authenticity of transactions and the accuracy of duty calculations. The commercial invoice alone will no longer be sufficient to meet compliance requirements, adding administrative burden and increasing the risk of procedural errors.

Abrupt Customs Changes

Mexico routinely makes major changes to its customs rules with no implementation period, which creates operational disruptions impacting U.S. businesses. Mexico should adhere to good regulatory practices in customs, including by providing notice and comment periods before making changes to its customs rules. Further, Mexico should provide longer implementation periods before these changes enter into force, to provide stability for the shipment of goods throughout North America.

Customs Valuation Methods

Mexico has instituted the use of reference prices for several product types rather than standard valuation methods, which results in importers having to declare artificially high customs values for these products. Mexico should recommit to standard valuation rules and address perceived dumping through anti-dumping investigations.

Trade Facilitation and Border Issues

U.S. exporters continue to face major challenges at the U.S.-Mexico border. Specifically, U.S. exporters are experiencing a significant increase in inspections and competing requests for information from multiple agencies at the same time in order to clear customs. SAT customs automation interface has also repeatedly failed, including after recent changes were abruptly made to tariff levels, which has further increased border crossing times. U.S. companies have also experienced an increase in security incidents in northern Mexico near the border that have endangered employees and business operations. Furthermore, SAT is aggressively auditing U.S. multinational corporations,

asserting that millions of dollars are owed on customs transactions, and threatening to suspend importing licenses²² unless these payments are made.

Ongoing CTA Trade Concerns with Canada

Artificial Intelligence and Data Act (“Bill C-27”)

CTA applauds the Government’s thoughtful framework set out in the Artificial Intelligence and Data Act (Bill C-27), but the framework should be amended to reflect industry standards. In addition, and in alignment with Article 11.4 of USMCA, Canada should explicitly balance the risk of overregulating against the benefits of innovation in the emerging artificial intelligence (“AI”) markets.²³ Aligning with the U.S. framework would ensure a more proportionate and effective regulatory environment, fostering Canadian innovation while addressing potential risks associated with AI.²⁴

Online Streaming Act

The Online Streaming Act, which entered into force in April 2023, updated Canada’s Broadcasting Act to regulate online streaming services and provided discretion to the Canadian Radio-television and Telecommunications Commission (“CRTC”) on how to implement it. On June 4, 2024, the CRTC issued a decision to require foreign, largely U.S.-based music and audiovisual streaming service providers to pay five percent of their gross in-country revenue to certain Canadian cultural funds. In addition to the levy, the CRTC is designing additional discriminatory measures that target U.S. companies, including local content quotas and content discoverability mandates. The CRTC may also increase the financial levy to as high as 30 percent. In total, the Online Streaming Act could cost the U.S. industry \$7 billion by 2030, which could have a chilling effect on streaming service providers in North America. We urge USTR to engage with the Government of Canada to request a suspension or modification of the Online Streaming Act.

Québec Bill 109

On May 21, 2025, Québec’s Minister of Culture et des Communications introduced the now-tabled Bill 109, with a stated purpose is to promote discoverability of and access to original French-language cultural content in the digital environment. It will have major implications for U.S.-based streaming companies, as well as manufacturers of connected devices. It grants broad authority to the Québec Cabinet to enact regulations that will impose new registration requirements, reporting and potential French content

²² Foreign Trade General Rules for 2024, Rule 1.3.3, section XLVI.

²³ USMCA – Chapter 11 – Technical barriers to trade, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/11_Technical_Barriers_to_Trade.pdf.

²⁴ National Institute of Science and Technology, AI Risk Management Framework, (rel. Jan. 23, 2023), <https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.100-1.pdf>.

quotas, accessibility and discoverability requirements on digital platforms and manufacturers of TVs and connected devices. It also creates a new administrative unit within the Ministère de la Culture et des Communications under the name “Bureau de la découvrabilité des contenus culturels” (the BDCC) and gives the BDCC broad powers to enforce the bill. Similar to the Online Streaming Act, Bill 109 would hamper North American providers from accessing the market in Québec, thereby reducing regional integration, which runs antithetical to the goals of the USMCA. We urge USTR to closely monitor Bill 109 and formally raise concerns with the Government of Canada and the Québec Ministry of Culture and Communications.

Process for Correction of Entries in CARM

The Canada Border Services Agency’s (“CBSA”) Assessment and Revenue Management System (“CARM”) has eliminated the ability for importers to make blanket corrections to customs entries. Before the transition to CARM, importers were able to do this through the creation and correction of a CBSA Facility Information Retrieval Management System (“FIRM”) report. CARM instead requires individual correction of entries which can become exceedingly cumbersome when making annual corrections per agreed-upon Adjustment Regimes. The estimated correction times have skyrocketed from a single filing of the FIRM report by broker(s) to roughly 10 days for semi-annual corrections. Canada should commit to scalable corrective actions in automated systems CARM.

Copyright Act

Canada's Copyright Act lacks explicit provisions for AI-generated works, creating uncertainty about their copyrightability and ownership. The Copyright Act also doesn't include a specific exception for text and data mining, which are crucial for AI model training. While limited exceptions like fair dealing may apply, the absence of clear guidelines could restrict the use of copyrighted materials in AI development. As AI advances, Canada will need to update its copyright framework to address these issues and clarify AI-related activities.

CTA Recommends that the United States Should Extend and Maintain the Agreement

Again, CTA would like to reiterate that we and our members recommend that each Party confirm to extend the term of this Agreement for another 16-year period, as outlined in Article 34.7.3.²⁵ Thank you for the opportunity to provide comments on the Joint Review.

Sincerely,



Ed Brzytwa
Vice President of International Trade
Consumer Technology Association



Michael Petricone
Senior Vice President of Government Affairs
Consumer Technology Association

²⁵ USMCA – Chapter 34 – Final provisions.

https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/34_Final_Provisions.pdf.