



Recommendations on USMCA

USMCA is Beneficial for the U.S. Tech Industry

CTA submitted comments to the Office of the U.S. Trade Representative and a Statement for the Record to the Senate Finance Committee on recommendations and considerations for the Joint Review of the Agreement Between the United States of America, the United Mexican States, and Canada (USMCA). **CTA and our members strongly support formally extending the USMCA for a 16-year period to provide certainty and competitiveness for technology trade and supply chains.**

Top Recommendations on USMCA

Tariff Certainty – Continue exempting USMCA-qualifying goods from existing and future Section 122, Section 232 and Section 301 tariffs to maintain predictable regional trade conditions and avoid duplicative or unintended costs.

Trilateral Agreement – USMCA is most beneficial to U.S. companies as a trilateral agreement, rather than two bilateral agreements with Canada and Mexico. Splitting into separate agreements would severely disrupt highly integrated technology supply chains.

Rules of Origin – Avoid increasing the restrictiveness or removing the “tariff shift” method of Rules of Origin for electronics. Higher regional value content thresholds or full supply-chain sourcing certifications would create unnecessary burdens. Should the three Parties decide to increase the regional value content threshold, the increases should be gradual and allow for transition time, rather than an immediate increase.

Investment Protections – Strengthen investor protections and dispute settlement tools under Chapter 14 of the Agreement to promote regulatory certainty and fair treatment for technology investments across North America, including by extending the Investor State Dispute Settlement mechanism to the tech and digital sector.

Digital Trade – Maintain USMCA's high-standard digital trade rules as-is, including the current strong protections for cross-border data flows, bans on forced data localization, and safeguards against forced transfer of source code and algorithms.

Full implementation – The three Parties should fully implement all USMCA provisions to benefit U.S. tech companies, including the Chapters on Technical Barriers to Trade, Good Regulatory Practices, Trade Facilitation, and the Sectoral Annex on Information and Communications Technology (ICT).

Read our full comments to the Trump administration:

<https://www.cta.tech/media/bicb4rey/cta-comments-on-the-usmca-joint-review.pdf>

Read our full comments to Congress:

<https://www.cta.tech/media/uq2fvzng/cta-statement-for-the-record-to-the-senate-committee-on-finance-hearing-on-usmca.pdf>

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