



Recommendations on the USMCA Joint Review

USMCA is Beneficial for the U.S. Tech Industry

On November 3rd, 2025, CTA submitted comments to the Office of the United States Trade Representative on 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 for technology trade and supply chains.**

Recommendations on USMCA

Tariff Certainty – USMCA-eligible products should be exempt from International Emergency Economic Powers Act (IEEPA) tariffs and Section 232 tariffs to maintain predictable regional trade conditions and avoid duplicative or unintended costs.

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

Rules of Origin – Avoid increasing the restrictiveness or complexity of Rules of Origin. Higher regional value thresholds or full supply-chain sourcing certifications would create unnecessary burdens.

Investment Protections – The United States should strengthen dispute settlement tools and investor protections, particularly to address current challenges in Mexico.

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

Ongoing Trade Concerns in Mexico and Canada That Should be Addressed Before July 2026 To Ensure A Successful Joint Review

Judicial Changes – Mexico's judicial changes may create uncertainty for cross-border investors. The U.S. government should encourage Mexico to reverse course to have independent courts and transparency in legal processes.

Proposed "Kill-Switch" System – Mexico should withdraw proposals requiring real-time access to digital systems for tax enforcement, which raise serious USMCA compliance and cybersecurity concerns.

Artificial Intelligence and Data Act – Canada should amend Bill C-27 to reflect industry standards and avoid overregulation that could hinder emerging technologies.

Online Streaming Act – Canada should suspend or revise provisions that impose discriminatory digital levies and local content requirements that target U.S. service providers.

To read CTA's full comments, please visit: <https://www.cta.tech/media/bicb4rey/cta-comments-on-the-usmca-joint-review.pdf>.

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