

COMMITTEE *on* FINANCE

Chairman *Chuck Grassley*

The Benefits of USMCA

Access to Markets

- Preserves and enhances U.S. duty-free access to Mexican and Canadian markets.

Agriculture

- Increases market access for U.S. farmers with new export opportunities for U.S. dairy, poultry and egg producers.
- Addresses longstanding non-tariff barriers to the ability of U.S. producers to export wheat and wine to Canada.
- Prevents trade barriers disguised as food safety and animal or plant health measures by requiring such measures to be based on sound science.
- Improves the transparency and functioning of approval processes for biotech crops.

Auto Rules of Origin

- New rules will increase U.S. jobs in automotive sector by incentivizing production in the United States and North America.
- By encouraging companies to use more U.S. content and high wage labor, USMCA will help ensure that U.S producers and workers are able to compete on a level playing field.

Currency

- Requires transparency on currency policies and addresses unfair currency practices.

Customs & Trade Facilitation

- USMCA will help reduce red tape at the border, reduce costs, and increase predictability for cross-border transactions.
- Raises the “de minimis” customs thresholds under which U.S. businesses may export to Canada and Mexico with reduced paperwork and without paying taxes or duties.
- Requires making customs regulations available online.

Digital Trade

- USMCA will be the first U.S. free trade agreement with a digital trade chapter, creating a strong foundation for the expansion of trade and investment in innovative digital products and services.
- Prohibits the imposition of tariffs on digital products transmitted electronically.

Financial Services

- Expands market access for U.S. business to export electronic payments services, investment advice, and portfolio management.

Good Governance

- Encourages regulations to be written in plain language so that the public can better understand their meaning.
- Requires most regulations to go through a notice and comment and procedure so the public can see and provide input on proposed regulations.
- Requires criminal penalties for bribery and corruption, including with respect to interactions with foreign government officials.

Intellectual Property

- Secures strong protections and enforcement of intellectual property rights to help drive innovation and create economic growth
- Includes 10 years of regulatory data protection for biologic drugs
- Continues to provide strong patent protection for innovators by enshrining patentability standards and patent office best practices.
- Improved protections for trade secrets, including civil and criminal protections, guarantees on the ability to license trade secrets, and protection from unauthorized disclosure by courts and government officials.

Labor & Environment

- Provides the strongest labor and environment obligations in any U.S. trade agreement and makes them fully subject to the enforcement and dispute settlement.

State-Owned Enterprises

- Imposes market disciplines and prohibits discriminatory privileges and certain subsidies.

Textiles

- Strengthens incentives to use North American fibers, yarns, and fabrics in textile products.

