



USMCA

UNITED STATES – MEXICO – CANADA CENTER

United States – Mexico – Canada Agreement (USMCA)

NCBFAA Briefing

June 11, 2020





- Welcome
- USMCA Background and Overview
- Introduction to the USMCA Center
- USMCA Resources
- Questions



Thank you for joining today's USMCA Informational Webinar with NCBFAA

The **objectives** of this webinar are to –

- 1) Present an overview of the U.S. Customs and Border Protection (CBP) Office of Trade's efforts to implement USMCA; and
- 2) Answer questions and share resources to help prepare NCBFAA members for USMCA entry into force on July 1, 2020

Introductions

Leading today's presentation from CBP Office of Trade are –

- Maya Kamar, Director, Textiles and Trade Agreements Division
- Tamica Solomon, (A) Director, USMCA Center
- Adam Sulewski, International Trade Analyst, USMCA Center

USMCA Background and Overview





The **North American Free Trade Agreement (NAFTA)** is an trade agreement signed by the governments of Canada (CA), Mexico (MX), and the United States (US), creating a **trilateral trade bloc in North America**

NAFTA entered into force on **January 1, 1994** and sought to **eliminate tariff and non-tariff barriers of trade and investment** between the US, CA, and MX. It also featured chapters that introduced novel considerations for North American trade:

- **National Treatment & Market Access**
- **Rules of Origin (RoO)**
- **Origin & Procedures**
- **Customs Facilitation**
- **Textiles**
- Agriculture and Sanitary and Phytosanitary Measures
- Government Procurement
- Investment
- Trade in Services
- Financial Services
- Publication and Administration
- Anti-Corruption
- Dispute Settlement Procedures

Only provisions **within customs scope** (*bolded*) will be addressed in this briefing

For merchandise **entered into commerce on or before June 30, 2020**, NAFTA rules will continue to apply.



The **United States – Mexico – Canada Agreement (USMCA)** is a trade agreement between the named partner countries that replaces the NAFTA upon entry-into-force (EIF)

- USMCA is referred to differently in Canada and Mexico
 - CA Title - “Canada-United States-Mexico Agreement (CUSMA)”
 - MX Title - “Tratado entre México, Estados Unidos y Canadá (T-MEC)”
- USMCA **preserves NAFTA’s trilateral trade pact** and **modernizes** the US/MX/CA trade relationship by:
 - ✓ Addressing **developments in technology and trade practices**; and
 - ✓ Adding **new criteria** to certain commodities, including automotive goods
- The USMCA will **not change** the **zeroed-out tariffs** on most manufacturing and agricultural goods
- The USMCA will enter into force on **July 1, 2020** – all goods entered into commerce on or after that date will receive USMCA treatment, if preferential treatment is claimed



While many provisions modernize those existing within NAFTA, the new USMCA Agreement does feature new and novel provisions related to **automotive goods**

- **Increased Regional Value Content (RVC) (62.5% → 75%)**
- **Labor Value Content (LVC) Requirement** – importers must certify that a certain percentage of the automobile’s content (by value) is sourced from manufacturing facilities in the US, MX, and CA that **pay at least \$16 USD**
- **New Steel and Aluminum Requirements** – importers must certify that at least 70% of the vehicle producer’s overall annual purchases of steel *and* aluminum by value are sourced from North America



CBP is working closely with our government partners in CA and MX, and the trade community to ensure a comprehensive and smooth implementation from NAFTA to USMCA.

General Information and Key Dates



Provision	USMCA
GENERAL INFORMATION	
Agreement Name	United States – Mexico – Canada Agreement
Implementation Date	July 1, 2020
Expiration	Includes sunset provision – renewal consideration required every six (6) years , with a 16-year sunset clause
Merchandise Processing Fee (MPF)	Originating goods and tariff preference level (TPL) goods are exempt if the claim for preferential tariff treatment is made at the time of entry
Post-Importation Preference Claim	USMCA allows post-importation preference claim to request a refund of excess duties within one year of importation in accordance with 19 USC 1520(d). However, MPF paid on entries are not refunded
CITATIONS	
HTS General Note (GN)	While not yet published, the applicable General Note will be General Note 11 (GN 11)
CFR	The USC citation is to be determined, but USMCA will be reflected in 19 CFR182
Special Program Indicator	Tariff items eligible for preferential tariff treatment under USMCA will leverage a new Special Program Indicator (SPI) of “S” that will be reflected in the “Special” column of the Harmonized Tariff Schedule of the United States (HTSUS)

CBP will continue to keep the trade industry apprised of additional information, once available

Introduction to the USMCA Center





Overview

Launched in March 2020, the **USMCA Center, or Center**, is the US Government (USG) lead for implementation of the USMCA Rules of Origin.



- Housed in the **CBP Office of Trade (OT)** and includes SMEs from across CBP HQ and Centers of Excellence and Expertise
- Will operate for **three to five years**
- Coordinates, tracks, and promotes CBP **implementation efforts**
- Supports the **policy-focused USMCA efforts** of CBP OT's Textiles and Trade Agreements Division (TTAD)

Guiding Responsibilities

Coordination

Ensure smooth implementation of USMCA by leading international, inter-agency, and inter-office coordination

Communication

Lead USMCA-related communication for all stakeholders through across platforms, including training, informational briefings, compliance guidance, and online resources

Regulations and Policy

Track and support the development of all USMCA-related legal and regulatory documents, including uniform, interim, and domestic regulations, and interagency agreements

USMCA Resources





The USMCA Center seeks to connect the trade industry with information, resources, and tools to support the USMCA implementation process.

All CBP resources cleared for public consumption are available on the **USMCA Webpage on CBP.gov**

- To access, go to: <https://www.cbp.gov/trade/priority-issues/trade-agreements/free-trade-agreements/USMCA> (or search “USMCA” on CBP.gov)



Informational Briefings

USMCA overviews, including new and novel provisions, delivered via trade associations and industry groups



Written & Multimedia Materials

Compliance guidance, fact sheets, side-by-side comparisons of NAFTA and USMCA, Points of Contact, FAQ's, and other resources



Additional U.S. Government (USG) Resources

Links to USMCA text, Implementation Act, ITC Report, U.S. Government Points of Contact, and other resources



USMCA On-Demand Training Resources



*The Center will be publishing several compliance-focused resources on the **CBP.gov USMCA Webpage** for trade associations and industry groups to utilize*

“Overview of USMCA” Webinar Video

On-demand video webinar providing an overview of USMCA and its novel provisions while also highlighting key changes from NAFTA to USMCA

Topical USMCA Provision Guidance

In-depth guidance on requirements for complying with key USMCA provisions

Topics Covered

- Entry Procedures
- Certifications and Verifications
- Rules of Origin
- Textiles
- Auto and Auto Parts

**Anticipated
Release
June 22, 2020**



USMCA Foundational Documents



[U.S. – Mexico – Canada Agreement Text](#)

[USMCA Implementation Act \(Public Law No: 116-113\)](#)

USMCA Regulations

- [Uniform Regulations](#), mutually agreed upon with Mexico and Canada
- Domestic Regulations (New 19 CFR Part 182) (*Pending*)
 - Interim for 1st Year After EIF
 - Permanent After Year 1

HTSUS General Note 11 (*Pending*)



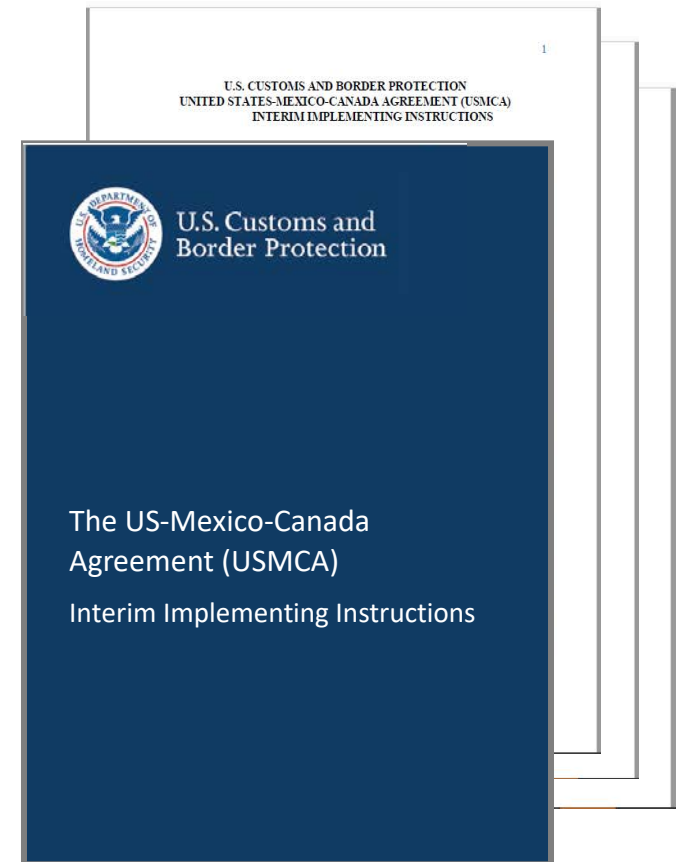
Links to all these resources are available on the USMCA webpage on CBP.gov



Interim and Final Implementing Instructions



- CBP OT released [*USMCA Interim Implementing Instructions*](#) on **April 20, 2020** to support trade implementation preparations
 - Contains contributions from the U.S. Dept. of Labor, Wage and Hour Division, regarding Labor Value Content
 - Will be updated to reflect the contents of the Uniform Regulations and pending GN 11
 - Final Implementing Instructions will be available no later than **July 1, 2020**





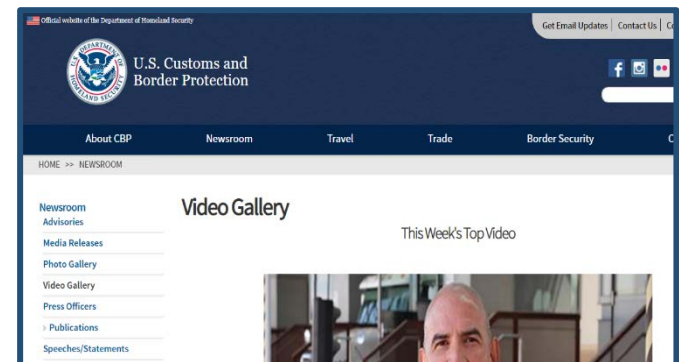
Press Releases / Media Engagement

- Press releases and press engagements on USMCA Implementation arranged by CBP Office of Public Affairs (OPA)



Informational Videos

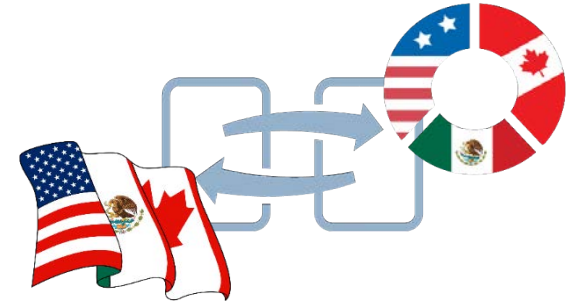
- The USMCA Center is creating up to six videos to provide compliance guidance and resource navigation
- Videos will be posted to CBP.gov and distributed widely to our trade stakeholders





Factsheets

- CBP OT is developing factsheets highlighting key provision updates and providing side-by-side comparison of the USMCA and NAFTA



Frequently Asked Questions (FAQs)

- The USMCA Center maintains a FAQ page with questions received from the Trade
- Recommended as the first and fastest resources to resolve inquiries
- Information is continuously updated





Binding Advance Rulings

- Binding advance rulings and other legal decisions issued by CBP in connection with the importation of merchandise into the United States, including under special programs like trade agreements and special trade legislation (www.cbp.gov/trade/rulings).
- Advance rulings provide the trade community with a transparent and efficient means of understanding how CBP will treat a prospective import or carrier transaction



Cargo System Messaging Service

- [CSMS](#) is one of CBP's methods for communicating to our trade partners relating to news and updates on the Automated Commercial Environment (ACE)





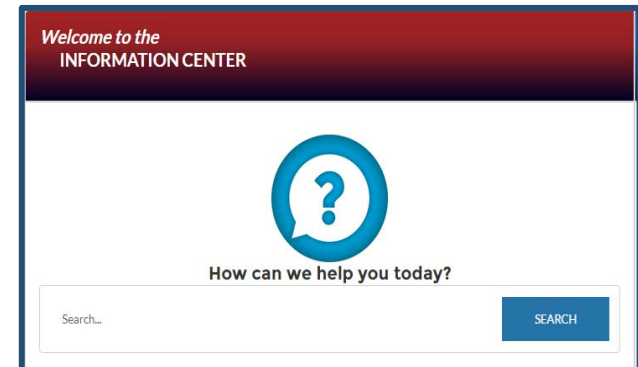
CBP Trade Snapshot Articles

- Monthly [Trade News Snapshot](#) is an overview of the latest updates on trade enforcement and facilitation milestones – it highlights CBP’s important trade programs, initiatives, and operations for our trade partners and the public



CBP Information Center

- [AskCBP Search Engine](#) – <https://help.CBP.gov/>
- CBP Call Center – (877) 227-5511



Social Media



- [Facebook](#)
- [Instagram](#) (CBPGov)
- [Twitter](#) (@CBPTradeGov)
- [YouTube](#)



Additional U.S. Government Resources



- **Harmonized Tariff Schedule of the United States** (hts.usitc.gov)
- **U.S. Trade Representative** (www.USTR.gov)
- **Federal Register Notices** (www.federalregister.gov)
 - USTR published a [Federal Register Notice](#) on alternative staging regimes for automotive goods on April 21, 2020
 - The U.S. Department of Labor will be issuing a Federal Register Notice for the new and novel Labor Value Content requirement for automotive goods by June 30, 2020
- **U.S. Department of Commerce**
 - For exporter information, refer to <https://www.trade.gov/export-solutions>
- **USMCA@cbp.dhs.gov**

Questions?



Thank You!

