

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE**

**REPORT TO CONGRESS ON THE OPERATION OF THE
UNITED STATES-MEXICO-CANADA AGREEMENT
WITH RESPECT TO TRADE IN AUTOMOTIVE GOODS**



July 1, 2026

FOREWORD

In December 2025, I reported to Congress on the Operation of the United States-Mexico-Canada Agreement (USMCA) and noted that the USMCA's expected impact on the U.S. automotive sector has not been fully realized. While the USMCA's innovative automotive rules of origin have been successful to a certain degree, the United States has not achieved all its goals for the agreement with respect to strengthening U.S. manufacturing capacity and creating good jobs. Further, I believe that the USMCA has contributed to structural imbalances in the free trade area, as evidenced by the large and persistent U.S. goods trade deficit with Canada and Mexico, particularly in the U.S. automotive sector.

This report notes that the automotive industry remains a significant contributor to the U.S. and North American economies and that the USMCA has had a positive impact on the global competitiveness of the regional auto industry. Since the conclusion of USMCA negotiations in late 2018, automakers and suppliers have announced more than \$346 billion in U.S. investments to localize production to meet the USMCA's automotive rules of origin, according to the Center for Automotive Research. The U.S. International Trade Commission estimated that the USMCA has had a net positive impact on U.S. employment and wages within the automotive sector, especially in parts production.

Yet, the United States has run a persistent, substantial, and growing trade deficit in autos and parts with Mexico for over 30 years. In 2024, that deficit peaked at \$138.2 billion. In recent years, analysis indicates that the share of U.S. content within Mexico's automotive exports to the United States has been declining, while the share of Chinese or other Asian content in those goods has been increasing. Further, the U.S. most-favored nation tariffs on autos (*e.g.*, 2.5 percent on passenger vehicles) and parts are too low to sufficiently incentivize changes to product sourcing. These developments run counter to the USMCA's goals of strengthening regional economic cooperation and increasing U.S. and North American content.

At the same time, the auto industry has faced economic security challenges that have disrupted global supply chains, such as overreliance on sole-source suppliers for key inputs such as semiconductors and critical minerals, as well as the distorting effects of industrial overcapacity and similar non-market policies and practices.

The U.S. automotive industry—from suppliers to manufacturers to auto dealers—has indicated that the USMCA is a strategic asset in addressing the competitive pressures posed by non-market economies. Industry asserts that, through the USMCA, the United States, Canada, and Mexico have the opportunity to coordinate economic security policies, optimize resilient regional supply chains, and ensure that North America remains a reliable and secure hub for producing advanced automotive technologies.

When I reported to Congress in December, I indicated that the Office of the U.S. Trade Representative (USTR) would seek to address Mexican policies that detrimentally promote the use of third-country content and erode U.S. supply chains, especially in the automotive sector. This report only further highlights that need, and USTR intends to examine carefully the USMCA's automotive rules of origin to identify areas where stronger rules

can directly benefit U.S. manufactures and workers. USTR intends to further incentivize the localization of critical and emerging technologies, such as semiconductors, critical minerals, and advanced electronics and technology systems to promote more resilient and secure supply chains.

Ultimately, USMCA’s automotive provisions are about more than trade technicalities—they are part of a deliberate strategy to ensure that the United States remains a leading global automotive producer. Through strategic improvements, USTR seeks to raise regional and U.S. content, reduce reliance on inputs from third-countries, and build a more resilient and secure supply chain that will drive investment, jobs, and innovation needed to keep America’s auto industry competitive for decades to come.



Ambassador Jamieson L. Greer
United States Trade Representative

ABBREVIATIONS AND ACRONYMS

Acronym	Definition
AAPC	American Automotive Policy Council
ASR	Alternative Staging Regime
ATV	All-Terrain Vehicle
CBP	U.S. Customs and Border Protection
CFR	U.S. Code of Federal Regulations
CONAMER	Mexico’s National Commission for Regulatory Improvement (<i>Comisión Nacional de Mejora Regulatoria</i>)
CRE	Mexico’s Energy Regulatory Commission (<i>Comisión Reguladora de Energía</i>)
COMPAS	Cooperation Manufacturing Plant Aguascalientes
DOL	U.S. Department of Labor
EV	Electric Vehicle
FMVSS	U.S. Federal Motor Vehicle Safety Standards
HTSUS	Harmonized Tariff Schedule of the United States
IEEPA	International Emergency Economic Powers Act
IFR	Interim Final Rule
ILAB	Bureau of International Labor Affairs (of the U.S. Department of Labor)
IRA	The Inflation Reduction Act
LED	Light-Emitting Diode
LVC	Labor Value Content
MEMA	MEMA, The Vehicle Suppliers Association, formerly the Motor Equipment Manufacturers Association
MFN	Most-Favored Nation
MOFCOM	Ministry of Commerce (of the People’s Republic of China)
NACS	North American Charging Standard
NAFTA	The North American Free Trade Agreement
ROO	Rule of Origin
RRM	Rapid Response Labor Mechanism
RVC	Regional Value Content
TRQ	Tariff-Rate Quota
TTAD	Textiles and Trade Agreements Division (of U.S. Customs and Border Protection)
UAW	The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America
USITC	U.S. International Trade Commission
USMCA	The United States-Mexico-Canada Agreement
USTR	Office the United States Trade Representative
VCUI	Vehicle Certification Unique Identifier
WHD	Wage and Hour Division (of the U.S. Department of Labor)

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2026 REPORT TO CONGRESS ON THE OPERATION OF THE UNITED STATES-MEXICO-CANADA AGREEMENT WITH RESPECT TO TRADE IN AUTOMOTIVE GOODS

1. Background

Section 202A(g)(1)(A) of the United States-Mexico-Canada Agreement Implementation Act (P.L. 116-113) (Act) requires the United States Trade Representative (Trade Representative), in consultation with the Interagency Committee on Trade in Automotive Goods (Interagency Autos Committee or Committee), to conduct a biennial review of the operation of the Agreement between the United States of America, the United Mexican States, and Canada (USMCA or Agreement) with respect to trade in automotive goods, including: (1) to the extent practicable, a summary of actions taken by producers to demonstrate compliance with the automotive rules of origin (ROOs), use of the alternative staging regime, enforcement of such rules of origin, and other relevant matters; and (2) whether the automotive rules of origin are effective and relevant in light of new technology and changes in the content, production processes, and character of automotive goods. Section 202A(g)(1)(B) of the Act requires the Trade Representative to provide a report to Congress on each review.

Section 202A(g)(4) of the Act requires the Office of the United States Trade Representative (USTR) to solicit information relating to matters addressed in this report from producers of automotive goods, labor organizations, and other interested parties and to provide for an opportunity for the submission of comments from the public relating to such matters. USTR issued a *Federal Register* notice on December 5, 2025, seeking public comment concerning the operation of the USMCA with respect to automotive goods.¹ In response to this request, USTR received 52 comments from stakeholders.² USTR did not hold a hearing for this review, but it provided the opportunity for stakeholders to reference earlier comments or testimony submitted as part of the USMCA’s mandatory six-year Joint Review of the Agreement on July 1, 2026.³

This is the third of five reports required under Section 202A(g)(1)(B) of the Act. The Trade Representative submitted the first two reports to Congress on July 1, 2022, and July 1, 2024, and published them on USTR’s website.⁴ In accordance with the Act, subsequent reports will be submitted to Congress and published on the USTR website every two years through 2030.

¹ “Request for Comments Concerning the Operation of the United States-Mexico-Canada Agreement with Respect to Trade in Automotive Goods,” 90 FR 56247 (Dec. 5, 2025), available at: <https://www.federalregister.gov/d/2025-22105>.

² Public comments from all stakeholders for this report are available at: <https://comments.ustr.gov/s/docket?docketNumber=USTR-2025-0307>.

³ Public comments on the 2026 USMCA Joint Review are available at: <https://comments.ustr.gov/s/docket?docketNumber=USTR-2025-0004>.

⁴ Available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/biennial-reports-congress-operation-united-states-mexico-canada-agreement-usmca-respect-trade>.

2. Executive Summary

The automotive industry remains a significant contributor to the U.S. and North American economies, and in the six years since the USMCA's entry into force, the Agreement's complex—yet consequential—automotive provisions have had a positive impact on the U.S. automotive sector, benefiting producers, suppliers, and workers. Vehicle and parts producers continue to make significant sourcing and production investments in the United States and in North America to comply with the USMCA rules of origin (ROOs) and to take advantage of efficiencies and competitive advantages that North American integration provides.

In the two years since the last (2024) report to Congress, some automakers made the transition to full implementation of the ROOs when their Alternative Staging Regimes (ASRs) expired in 2025. Over that time, U.S. Customs and Border Protection (CBP) and the Department of Labor (DOL) have continued monitoring and enforcement of the ROOs, helping to ensure that the USMCA's benefits accrue to U.S. and North American companies and workers.

At the same time, however, the industry has faced external supply chain shocks, increased competitive pressures from China, and evolving U.S. trade policy. Further, evidence shows that U.S. content in vehicles produced in Mexico and Canada is declining, while automotive trade deficit with Mexico remains persistently large. The 2026 USMCA Joint Review will provide the United States the opportunity to assess and strengthen the USMCA automotive ROOs to incentivize the use of additional U.S. and North American content. Further, the Joint Review is an opportunity to mitigate risks posed to the North American automotive supply chain by non-market-economy third parties. Finally, the United States has an opportunity to streamline and simplify the automotive ROOs to help ensure that the benefits of the USMCA are more easily achievable, especially by small- and medium-sized suppliers.

3. The North American Automotive Industry and Implementation of the USMCA

The automotive industry plays a major role in the North American economy, particularly that of the United States. The automotive industry contributed \$771 billion to the U.S. economy in 2024 and accounted for 10.8 percent of total U.S. manufacturing output.⁵ According to industry sources, the automotive industry is responsible for 10.1 million direct and indirect U.S. jobs (approximately 4.9 percent of the total private sector jobs in the United States).⁶ Additionally, industry estimates that every job with an auto manufacturer in the United States creates on average 10 other jobs upstream (*e.g.*, auto parts producers) and downstream (*e.g.*, auto dealerships) in the U.S. economy.⁷

The USMCA continues to be central to the automotive industry's operations. The preferential market access granted to originating vehicles and parts has helped to integrate North American production, and the Agreement's ROOs have incentivized increased investments, content, and employment in North American automotive production, making the North American automotive sector more competitive. Nearly three-quarters of U.S. auto parts exports to the world are destined for Canada and Mexico,⁸ and in

⁵ U.S. Bureau of Economic Analysis, Sept. 25, 2025, "[U.Gross Output by Industry.](#)"

⁶ Alliance for Automotive Innovation, Mar. 2025, "[Driving the U.S. Economy.](#)"

⁷ *Ibid.*

⁸ *See* Appendix I.

many cases those parts come back to the United States and are further processed or incorporated into finished vehicles.

Industry asserts that the high levels of U.S. content in Canadian and Mexican vehicles exemplify how the USMCA has carried forward the benefits of an integrated North American automotive sector.⁹ However, there has been an apparent decline in that U.S. content since prior to the USMCA's implementation. In 2017, industry estimated 85 percent of the auto parts content for vehicles built in Canada originated in the United States, and more than 60 percent of the auto parts content of vehicles assembled in Mexico originated in the United States.¹⁰ But in 2024, industry reported that the estimated U.S.-origin content of vehicles built in Canada and Mexico dropped to 50 and 35 percent, respectively.¹¹

Beyond the USMCA, other recent regional trade-related developments have had a direct or indirect impact on the North American automotive industry. These include the U.S. imposition of tariffs and related offsets under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862) (Section 232), the U.S. imposition (and later removal) of tariffs under the International Emergency Economic Powers Act (IEEPA), the U.S. imposition of tariffs under Section 122 of the Trade Act of 1974, and retaliatory tariffs imposed by Canada on U.S. autos.

A. U.S. Implementation of the USMCA

Section 202A(b) of the Act required the creation of an Interagency Autos Committee, which was established by Executive Order 13908 of February 28, 2020.¹² Chaired by USTR, the Committee provides advice, as appropriate, on the implementation, enforcement, and modification of the provisions of the USMCA that relate to automotive goods, including the automotive ROOs and the ASRs. The Committee also reviews the operation of the USMCA with respect to automotive goods. In addition to USTR, representation on the Committee consists of the Departments of Commerce, Energy, Labor, State, Transportation, and Treasury, as well as CBP and the U.S. International Trade Commission (USITC).

Following its establishment in early March 2020, the Committee held regular meetings to prepare relevant information to review the operation of the USMCA with respect to autos and related to the implementation of the USMCA's automotive ROOs, including CBP guidance to traders and the Uniform Regulations Regarding the Interpretation, Application, and Administration of Chapter 4 (Rules of Origin) (Uniform Regulations). The Committee met regularly to review information for the company-specific ASRs and to provide advice to USTR on requests from producers to modify their ASRs. The Committee also reviewed the annual progress reports submitted by producers with an approved ASR. Additionally, the Committee reviewed and incorporated the public comments submitted in response to the *Federal Register* notice for this report and contributed to the development of this report.

⁹ American Automotive Policy Council (AAPC), AAPC Submission in Response to the Request for Comments Concerning the Operation of the United States-Mexico-Canada Agreement (USMCA) With Respect to Trade in Automotive Goods, Jan. 18, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0017>.

¹⁰ AAPC, Comments of the American Automotive Policy Council on the Modernization of the North American Free Trade Agreement, June 12, 2017, available at: <https://www.regulations.gov/comment/USTR-2017-0006-1231>

¹¹ AAPC, Jan. 18, 2024, *op. cit.*

¹² Executive Order 13908, "[Establishment of the Interagency Committee on Trade in Automotive Goods Under Section 202A of the United States Mexico Canada Agreement Implementation Act](#)," (85 FR 12983), Feb. 28, 2020.

On June 3, 2020, in coordination with Mexico and Canada, the United States published the trilaterally agreed Uniform Regulations, including provisions related to the ROOs for automotive goods.¹³ The Uniform Regulations assist North American automotive producers, exporters, and importers with interpretation, application, and administration of the automotive rules contained in the USMCA.

The USMCA ROOs and the Uniform Regulations became effective upon the USMCA’s entry into force on July 1, 2020.

B. Economic Impact of the USMCA Automotive Rules of Origin

In addition to this biennial report to Congress, the Act also requires the USITC to deliver a biennial report to Congress on the economic impact of the USMCA automotive provisions. The USITC delivered its second (of five) reports to Congress on July 1, 2025.

The USITC used an economic simulation model and detailed survey data from the U.S., Mexican, and Canadian automotive industries to assess in three steps the likely impacts of the USMCA automotive ROOs on the U.S. economy and the U.S. automotive industry from 2020-2024. The first step involved analyzing survey questionnaire responses regarding tariffs paid on USMCA trade and changes in sourcing of core parts and materials to meet the ROOs at the vehicle-model level. The second step in the analysis used an economic model to translate the changes in production costs and tariffs estimated in the first step into changes in vehicle prices within eight industry segments of the light vehicle markets in the United States and Canada. The final step of the analysis examined the potential for the industry-specific effects to trigger an economy-wide effect on U.S. gross domestic product and aggregate employment.¹⁴

A summary of the model’s estimated impact on the U.S. automotive industry, employment, and wages since the USMCA entered into force through the end of 2024 is presented below (*see Table 1*). Results suggested that changes in U.S. gross domestic product and aggregate employment attributed to the ROOs were less than 0.01 percent. Therefore, economy-wide effects have been negligible since the USMCA entered into force, consistent with the small, estimated effects within the U.S. automotive industry and the industry’s size relative to the entire U.S. economy.¹⁵

¹³ USTR, “[Uniform Regulations Regarding the Interpretation, Application, and Administration of Chapter 4 \(Rules of Origin\) and Related Provisions in Chapter 6 \(Textile and Apparel Goods\) of the Agreement Between the United States of America, the United Mexican States, and Canada](#),” June 3, 2020.

¹⁴ USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report*, July 2025, p.94–95, available at: <https://www.usitc.gov/publications/332/pub5642.pdf>.

¹⁵ *Ibid.*, p. 104.

Table 1 Summary of estimated impacts of the USMCA automotive rules of origin

In number of units, dollars, and number of workers.

Economic outcome	Estimated impact
U.S. imports of light vehicles from other USMCA countries	-37,591 vehicles
U.S. imports of light vehicles from non-USMCA countries	14,314 vehicles
U.S. vehicle production	-15,037 vehicles
Employment in U.S. parts production	5,387 workers
Employment in U.S. steel production	2,463 workers
Employment in U.S. vehicle production	-302 workers
Wage payments in U.S. parts production	\$335.8 million
Wage payments in U.S. vehicle production	-\$23.8 million
Revenue from U.S. parts production	\$3,419.1 million
Revenue from U.S. vehicle production	-\$250.8 million
Average vehicle prices	\$33.33 thousand

Source: USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report*, July 2025, p. 20.Note: See chapter 3 of the [USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report](#) for more information.

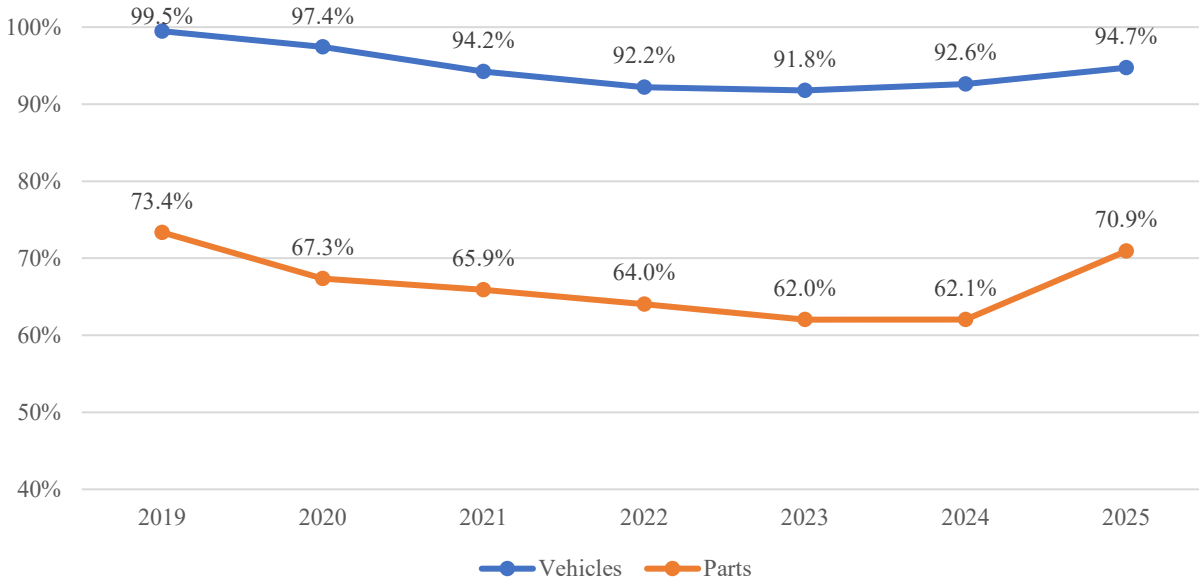
C. Share of Automotive Imports Claiming USMCA Preferences

The U.S. most-favored nation (MFN) tariffs on autos and auto parts are relatively low and sometimes insufficient to incentivize changes to sourcing to meet the USMCA ROOs. The U.S. MFN tariff on passenger vehicles is 2.5 percent, and MFN tariffs on most auto parts are between 0 and 6 percent. Following the USMCA's entry into force, there was an initial decrease in the share of U.S. vehicle imports from Canada and Mexico that claimed duty-free preferential treatment under the Agreement. After implementation of the more stringent USMCA ROOs, U.S. imports of vehicles from Canada and Mexico claiming the NAFTA/USMCA tariff preference decreased from 99.5 percent in 2019 to 91.8 percent in 2023. However, that share began to increase in 2024, and rose to 94.7 percent in 2025. A larger share of U.S. vehicle imports from Canada benefited from the USMCA than did U.S. vehicle imports from Mexico: 99.0 percent of U.S. vehicle imports from Canada benefited from the USMCA in 2025, while 92.9 percent of U.S. vehicle imports from Mexico did.¹⁶ Approximately 78 percent of U.S. vehicle imports from Canada and Mexico in 2025 that did not benefit from the USMCA were vehicles of Harmonized Tariff Schedule of the United States (HTSUS) subheading 8703.23 (passenger vehicles with a gasoline engine sized between 1.5L and 3L).

¹⁶ Benefiting from the USMCA is defined as imports for which the imported good claimed a reduction in duty rate due to preferential treatment. USITC Dataweb/Census, imports for consumption customs value, list of HTSUS statistical reporting numbers for light vehicles and vehicle parts can be found in Tables F.1 and F.3 of USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report*, July 2025.

Figure 1 Share of imports from Canada and Mexico that benefited from the USMCA, by product category, 2019–2025

In share of import value reported as claiming USMCA preferential treatment.



Source: USITC Dataweb/Census, imports for consumption, light vehicles and vehicle parts, accessed February 23, 2026.

Note: Benefiting from USMCA is defined as imports for which the imported good received a reduction in duty rate due to preferential treatment. For 2019 and part of 2020, the number reported represents share reporting preferential treatment through NAFTA. The increase in preference utilization in 2025 shown above may be partially due to a change in the way that Census processes import records, resulting in some imports being included that would not have been prior to 2025. Historically, if the imported product entered under a subheading where the column-1 general rate was duty free, and the importer received the USMCA benefit, Census omitted that import record in the calculation of U.S. imports claiming USMCA preference. However, beginning in July 2025, Census ceased this practice. Census reports that the change in practice was in response to the imposition of various new trade actions in 2025. Census also reports that U.S. import data for April 2025 – June 2025 will be updated in June 2026 to reflect this change in practice. The list of HTS statistical reporting numbers for light vehicles and vehicle parts can be found in Tables F.1 and F.3 of USITC, [USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report](#), July 2025, 210–13.

Like vehicles, the share of U.S. automotive parts imports from Canada and Mexico claiming the NAFTA/USMCA preference decreased from 73.4 percent (\$55.8 billion) in 2019 to 62.0 percent (\$59.5 billion) in 2023. The share of such imports was relatively consistent for a few years, before rebounding to 70.9 percent (\$70.1 billion) in 2025. The increase in 2025 is attributable to the implementation of the Section 232 tariffs on automobiles and automobile parts. Automobile parts are subject to a 25 percent Section 232 tariff, but automobile parts meeting the USMCA ROOs are not subject to those tariffs (*See Section 3.E*).

In 2025, over 86 percent of the automotive parts imported into the United States from USMCA partners that did not claim the USMCA preference (or other preference programs) came from Mexico (\$24.7 billion), with seat parts, body parts, diesel engine parts, and catalytic converters most frequently falling into this category (*see Table 2*). Seat parts are MFN duty-free, so no USMCA preference needed to be claimed. For the other products on specified in Table 2, the U.S. MFN duty is 2.5 percent.

Table 2 U.S. automotive parts imports from Mexico not benefiting from the USMCA, 2025

In billions of U.S. dollars

HTSUS-10	Description	2025 Imports (billion \$)
9401.99.1085	Seat parts of a kind used for motor vehicles, nesoi	2.45
8408.20.2000	Compression-ignition internal combustion piston engines for propulsion of vehicles of chapter 87, to be installed in road tractors, buses, autos, trucks	1.56
8708.29.5160	Other parts and accessories, nesoi, of bodies (including cabs) of heading 8701 to 8705	1.55
8407.34.4800	Spark-ignition reciprocating piston engines to be installed in road tractors, motor buses, automobiles & trucks, exceeding 2,000 cc, new	1.23
All other	NA	17.92
Total	NA	24.72

Source: USITC Dataweb/Census, imports for consumption, vehicle parts, accessed February 23, 2026.

Note: Data above is for imports for which no preference program was claimed. The list of HTS statistical reporting numbers for vehicle parts can be found in Table F.3 of USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report, July 2025*, 212–213.

“nesoi” means not elsewhere specified or indicated.

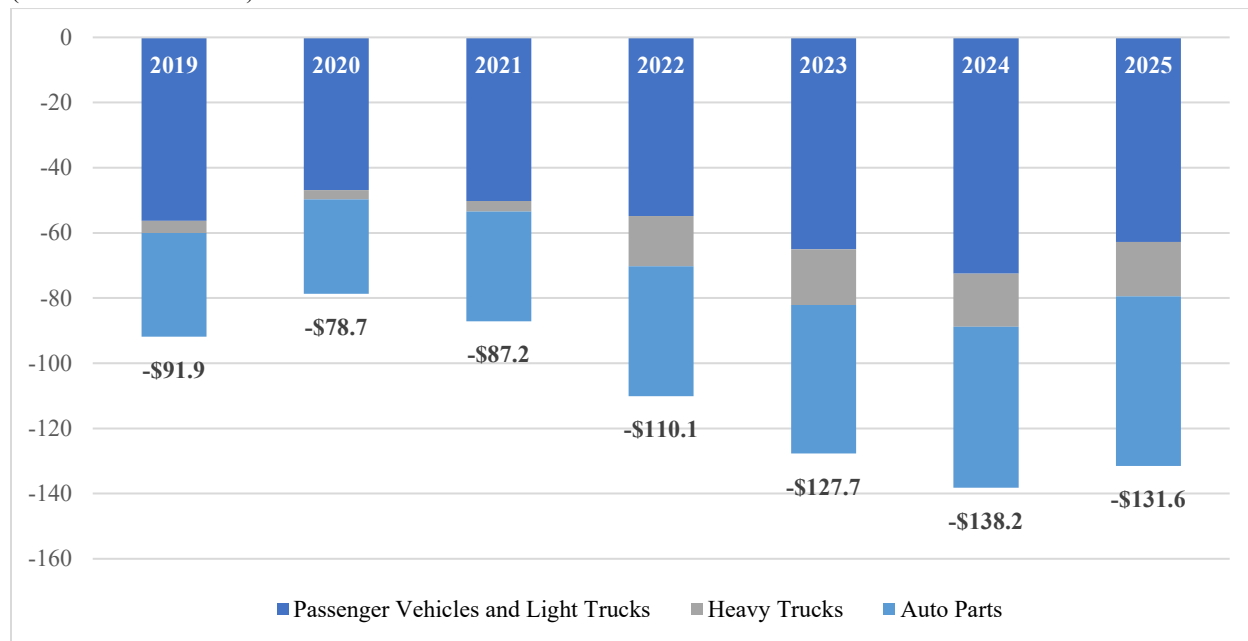
D. Increased Autos Trade Deficit with Mexico

The United States has run a persistent and substantial trade deficit in vehicles and parts from Mexico since the early 1990s. Around 90 percent of vehicle production in Mexico is devoted to exports, with 79.7 percent of the volume going to the United States.¹⁷ In 2019, the United States had a \$91.9 billion deficit with Mexico in autos, trucks, and parts. By 2024, that deficit had increased by 50.4 percent to a high of \$138.2 billion. The U.S. heavy trucks deficit with Mexico grew significantly over the same period, increasing from \$3.7 billion to \$16.7 billion (a 351 percent increase).

In 2025, U.S. trade policy began to meaningfully disrupt this long-standing trade imbalance with the April 2025 imposition of 25 percent tariffs on autos and parts under Section 232. In November 2025, the United States imposed 25 percent tariffs on medium- and heavy-duty trucks and parts under the same legal authority (see *Figure 2*). As a result of these U.S. tariff actions, the deficit with Mexico declined by \$6.6 billion from 2024 to 2025, from \$138.2 billion to \$131.6 billion.

¹⁷ U.S. Department of Commerce, International Trade Administration, “Mexico: Automotive Industry,” *Country Commercial Guide*, Feb. 11, 2026, available at: <https://www.trade.gov/country-commercial-guides/mexico-automotive-industry>.

Figure 2 U.S. vehicle and parts deficit with Mexico, by product category, 2019–2025
(Billions of U.S. Dollars)



Source: USTR calculations from Dataweb/Census

E. Declining U.S. Content in Vehicles Built in Mexico and Canada

In addition to the persistent and substantial trade deficit with Mexico, the share of U.S. content in vehicles imported from Mexico and Canada has been declining. As previously discussed, analysis presented by U.S. industry shows a marked decline from 2017 to 2024 in the share of U.S.-origin parts contained in vehicles built in Mexico and Canada and imported into the United States. USTR’s own analysis also shows a decline in U.S. value-added content embedded in transport equipment imports from Mexico and Canada, with Chinese content partially displacing the U.S. share.¹⁸ Specifically, the United States accounted for 23.1 percent of value-added content embedded in transport equipment imports from Mexico in 2017.¹⁹ By 2024 (latest data available) that share declined to 18.3 percent. Over the same period, the share of value-added content from China rose from 4.5 percent to 7.1 percent, and the share of Mexican value-added content also increased from 50.9 percent to 57.2 percent. For transport equipment imports from Canada, the U.S. share of value-added content declined from 26.3 in 2017 to 23.9 in 2024.²⁰ At the same time, the share of value-added content originating from China rose from 3.3 percent to 4.2 percent while the share of value-added content from Canada also increased from 49.5 percent to 52.7 percent.

¹⁸ Traditional “gross” trade statistics assign 100 percent of the transaction value of a product to the export country each time it crosses a border, which includes the cost of inputs plus the value added by each country. By contrast, value-added trade tracks the net economic contribution by each country at each step of the production process before it reaches final consumers. It strips away the cost of imported raw materials and parts, isolating only the value-added part including wages, profits, and domestic taxes generated by each country along the entire production chain. For details, see https://www.usitc.gov/special_topic_value_added_measurement_trade.htm.

¹⁹ USTR calculations based on Asian Development Bank, “[ADB Multiregional Input-Output Tables at current prices](#),” accessed Mar. 17, 2026.

²⁰ *Ibid.*

F. Implementation of Section 232 Tariffs on Automobiles and Automobile Parts

On February 17, 2019, the Secretary of Commerce transmitted a report to the President following a Section 232 investigation into the effects of imports of passenger vehicles and light trucks and certain automobile parts on the national security of the United States. On May 17, 2019, President Trump announced his determination that he concurred in the Secretary's finding that automobiles and certain automobile parts were being imported into the United States in such quantities and under such circumstances as to threaten to impair U.S. national security.²¹ The President consequently directed the Trade Representative, in consultation with the Secretaries of Commerce and the Treasury, and any other senior executive branch officials the Trade Representative deemed appropriate, to pursue negotiation of agreements with Japan, the European Union, and other trading partners as the Trade Representative deemed appropriate, to address the threatened impairment to the national security. The President directed the Secretary of Commerce to monitor automobile and certain automobile parts imports and to inform the President of any circumstances that, in the Secretary's opinion, might necessitate further action under Section 232.

On March 26, 2025, the President issued a proclamation which stated that the Trade Representative's negotiations did not lead to any agreements of the type contemplated by Section 232.²² Further, that proclamation noted that the Secretary of Commerce had informed the President that, since the 2019 report, the national security concerns had escalated. The Secretary noted that only about half of the vehicles sold in the United States were manufactured domestically, U.S. employment in the sector had not improved since 2019, and that the U.S. share of worldwide automobile production had remained stagnant since 2019. After considering the information provided by the Secretary of Commerce, the President found that imports of automobiles and certain automobile parts continued to threaten to impair U.S. national security.

As a result, the President deemed it necessary and appropriate to impose a 25 percent *ad valorem* tariff, in addition to any applicable MFN tariff, effective April 3, 2025, on imports of passenger vehicles and light trucks, and effective May 3, 2025 for imports of certain automobile parts.²³

i. Treatment of USMCA-Qualifying Automobiles and Automobile Parts

In accordance with the President's proclamation of March 26, 2025, for automobiles that qualify under the USMCA, importers could submit to the Secretary of Commerce information documenting the amount of U.S. and non-U.S. content in each model imported into the United States. If approved by the Secretary, the additional 25 percent Section 232 tariff would apply only to the value of the non-U.S. content of the automobile. On May 20, 2025, the Department of Commerce promulgated procedures in the *Federal Register* for automobile importers to submit information to receive approval for this modified tariff treatment.²⁴

For USMCA-qualifying automobile parts, the President determined that the 25 percent Section 232 tariff would not apply until such time as the Secretary established a similar process to apply the tariff

²¹ Proclamation 9888 of May 17, 2019, available at: <https://www.federalregister.gov/d/2019-10774>.

²² Proclamation 10908 of March 26, 2025, available at: <https://www.federalregister.gov/d/2025-05930>

²³ *Ibid.*

²⁴ "Procedures for Submissions by Importers of Automobiles Qualifying for Preferential Tariff Treatment Under the USMCA To Determine U.S. Content" (90 FR 21450) May 20, 2025, available at: <https://www.federalregister.gov/d/2025-08917>.

exclusively to the non-U.S. content of the part.²⁵ As of this writing, the Secretary has not yet developed such a system and published it in the *Federal Register*.

ii. Implementation of Automobile Tariff Offset Process

On April 29, 2025, the President issued another proclamation that further directed the Secretary of Commerce to establish a process by which automobile manufacturers with assembly operations in the United States may apply for an import adjustment offset amount to temporarily reduce the Section 232 tariffs on imported automobile parts in order to support final automobile assembly in the United States.²⁶ The President determined that linking tariffs imposed on imports of automobile parts to the imports' use in assembly within the United States would adjust imports of automobiles and automobile parts and more effectively eliminate such imports' threat to national security. Further, the President determined that this modified system would, among other things, strengthen U.S. vehicle assembly operations by encouraging companies to expand domestic production capacity, shift manufacturing activity into the United States, and create jobs in the U.S. automotive industry. The President determined these collective actions would more effectively eliminate the national security threat because they would more quickly reduce reliance on foreign manufacturing and importation of automobiles and automobile parts.

Under the program established by the Secretary of Commerce, automobile manufacturers could apply to the Department of Commerce for an import adjustment offset equal to 3.75 percent of the aggregate manufacturers' suggested retail price (MSRP) for eligible autos assembled in the United States between April 3, 2025 and April 30, 2030.²⁷

G. Implementation of Section 232 Tariffs on Medium- and Heavy-Duty Vehicles, Parts, and Buses

On April 22, 2025, the Secretary of Commerce initiated a Section 232 investigation to determine the effects on the national security of imports of medium- and heavy-duty vehicles and their parts.²⁸ On October 17, 2025, the President issued a proclamation that concurred with the Secretary's findings that imports of medium- and heavy-duty vehicles and their parts threaten to impair the national security of the United States.²⁹ The President concurred that imports of buses also threatened to impair U.S. national security. Consequently, the President imposed a 25 percent *ad valorem* duty on imports of medium- and heavy-duty vehicles and their parts, effective November 1, 2025. For buses and other vehicles classified in HTSUS heading 8702, the President imposed a 10 percent *ad valorem* duty effective on the same date.

²⁵ Proclamation 10908 of March 26, 2025, *op. cit.*

²⁶ Proclamation 10925 of April 29, 2025, available at: <https://www.federalregister.gov/d/2025-07833>

²⁷ Procedures To Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908, as Amended, available at <https://www.federalregister.gov/d/2025-10740>. Those procedures were subsequently amended. "Amending the Procedures To Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908 To Include Medium- and Heavy-Duty Vehicle Parts" (91 FR 27914) May 15, 2026, available at: <https://www.federalregister.gov/d/2026-09782>.

²⁸ "Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Trucks," (90 FR 17317) April 25, 2025, available at: <https://www.federalregister.gov/d/2025-07260>.

²⁹ Proclamation 10984 of Oct. 17, 2025, "Adjusting Imports of Medium- and Heavy-Duty Vehicles, Medium- and Heavy-Duty Vehicle Parts, and Buses into the United States, available at: <https://www.federalregister.gov/d/2025-19639>.

i. Treatment of USMCA-Qualifying Medium- and Heavy-Duty Vehicles and Parts

For medium- and heavy-duty vehicles that qualify for preferential treatment under the USMCA, the 25 percent tariff may apply only to the value of non-U.S. content of the vehicle.³⁰ In order to receive this preferential tariff treatment, importers of the vehicles must submit documentation to the Secretary of Commerce identifying the amount of U.S. and non-U.S. content in each model imported into the United States. On February 2, 2026, the Department of Commerce promulgated procedures for submitting such information.³¹

For medium- and heavy-duty vehicle parts that qualify for preferential treatment under the USMCA, the President determined that the 25 percent Section 232 tariff would not apply until such time the Secretary establishes a similar process to apply the tariff exclusively to the non-U.S. content of the part.³² As of this writing, the Secretary has not developed such a system and published it in the *Federal Register*.

The President did not provide alternative treatment for USMCA-qualifying buses or other vehicles classified under HTSUS heading 8702, and as such, the 10 percent Section 232 tariff continues to apply to the full value of the vehicle.

ii. Implementation of Medium- and Heavy-Duty Vehicle Tariff Offset Process

The President's proclamation of October 17, 2025, also directed the Secretary of Commerce to establish an import adjustment offset program whereby U.S. medium- and heavy-duty vehicle manufacturers may receive an offset to the Section 232 tariffs applied to imported parts, in order to support domestic medium- and heavy-duty vehicle manufacturing. The offset would be equal to 3.75 percent of the aggregate value of all medium- and heavy-duty vehicles assembled in the United States by that manufacturer from November 1, 2025, through October 31, 2030. On May 15, 2026, the Department of Commerce issued procedures by which manufacturers of medium- and heavy-duty vehicles can apply for the offset.³³

H. Other Tariff Actions and Agreements on Autos, Trucks, and Parts

In addition to the Section 232 proclamations on automobiles, medium- and heavy-duty vehicles, and parts, additional U.S. tariff actions and subsequent negotiated agreements have affected the competitiveness of U.S. and North American autos *vis-à-vis* autos produced outside the region. On February 1, 2025, the President declared national emergencies under the International Emergency Economic Powers Act (IEEPA), citing the failure of Mexico, Canada, and China to stop the flow of illicit fentanyl and illegal migration to the United States. As a result, the President imposed an additional 25 percent duty on goods from Mexico and Canada (although the President subsequently exempted

³⁰ *Ibid.*

³¹ "Procedures for Submissions by Importers of Medium- and Heavy-Duty Vehicles Qualifying for Preferential Tariff Treatment Under the USMCA To Determine U.S. Content" (91 FR 4505) Feb. 2, 2026, available at: <https://www.federalregister.gov/d/2026-02049>.

³² Proclamation 10984 of Oct. 17, 2025, *op. cit.*

³³ "Amending the Procedures To Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908 To Include Medium- and Heavy-Duty Vehicle Parts" (91 FR 27914) May 15, 2026, available at: <https://www.federalregister.gov/d/2026-09782>.

USMCA-qualifying goods) and an additional 10 percent duty on goods from China (fentanyl tariffs).³⁴ Further, on April 2, 2025, the President declared a national emergency under IEEPA arising from underlying conditions emanating from the large and persistent annual U.S. goods trade deficit, and imposed broad, “reciprocal” tariffs on imported goods from most trading partners; the President excluded Canada and Mexico from the reciprocal tariffs in light of the aforementioned fentanyl tariffs.³⁵ The reciprocal tariff rates initially imposed varied by country and ranged from 10 percent to as high as 50 percent. Auto parts not subject to the Section 232 tariffs were subject to the fentanyl or the reciprocal tariffs, depending on the country of origin.

Following the April 2, 2025 reciprocal tariff executive order in particular, trading partners sought to negotiate agreements with the United States. In a limited number of these agreements, the United States indicated that it would reduce Section 232 tariffs on imports of automobiles and automobile parts, below the full Section 232 rates generally applicable to imports from Mexico and Canada (*See Table 3*). The United States has continued to advance trade negotiations and provide reduced Section 232 tariffs on automobiles and automobile parts for certain trading partners.³⁶

³⁴ The White House, “Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China,” Feb. 1, 2025, available at: <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>.

³⁵ Executive Order 14257 of April 2, 2025, “Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits.” Available at: <https://www.federalregister.gov/d/2025-06063>.

³⁶ On February 20, 2026, pursuant to Section 122 of the Trade Act of 1974 (19 U.S.C. 2132), the President issued a proclamation announcing a 10 percent surcharge on all imports, to address fundamental international payments problems. The surcharge is valid for 150 days. The proclamation excepts certain products from the surcharge, including USMCA-originating products and products that are subject to Section 232 duties. *See* Proclamation 11012 of February 20, 2026, available at <https://www.federalregister.gov/documents/2026/02/25/2026-03824/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems>.

Table 3 Summary of Negotiated Outcomes Affecting Section 232 Automobile Tariffs

Trading Partner	Section 232 Tariff Treatment	Effective Date
United Kingdom ³⁷	Tariff-rate quota (TRQ) for 100,000 UK automotive imports at a 10 percent Section 232 tariff and an accompanying arrangement for attendant auto parts. Out-of-quota UK automotive imports face the full 25 percent Section 232 tariff.	June 30, 2025 ³⁸
European Union ³⁹	Reduction to a baseline 15 percent “all-in” Section 232 and/or MFN tariff on EU automobiles and automobile parts. ⁴⁰	Aug. 1, 2025 ⁴¹
Japan ⁴²	Reduction to a baseline 15 percent “all-in” Section 232 and/or MFN tariff on Japanese automobiles and automobile parts.	Sept. 16, 2025 ⁴³
South Korea ⁴⁴	Reduction to a baseline 15 percent “all-in” Section 232 and/or MFN tariff on South Korean automobiles and automobile parts.	Dec. 4, 2025 ⁴⁵
Taiwan ⁴⁶	Reduction to a baseline 15 percent “all-in” Section 232 tariff and/or MFN on Taiwanese automobile parts.	May 1, 2026 ⁴⁷

I. Stakeholder Views on U.S. Tariff Actions

In public submissions to USTR, stakeholders called attention to the differences between Section 232 tariffs generally applied to automobiles from Mexico and Canada (25 percent) and rates applied to automobiles from the UK (10 percent under a TRQ), the EU, Japan, and South Korea (baseline 15 percent “all-in”). Stakeholders commented that the higher Section 232 for automobiles from Mexico and Canada put those products at a competitive disadvantage *vis-à-vis* automobiles imported from the UK, the EU, Japan, or South Korea, which do not need to meet the relatively stringent USMCA ROOs. The American

³⁷ General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal, May 8, 2025, available at: <https://www.whitehouse.gov/briefings-statements/2025/05/general-terms-for-the-united-states-of-america-and-the-united-kingdom-of-great-britain-and-northern-ireland-economic-prosperity-deal/>.

³⁸ Executive Order 14309 of June 16, 2025, available at: <https://www.federalregister.gov/d/2025-11473>.

³⁹ Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade, Aug. 21, 2025, Available at: <https://www.whitehouse.gov/briefings-statements/2025/08/joint-statement-on-a-united-states-european-union-framework-on-an-agreement-on-reciprocal-fair-and-balanced-trade/>.

⁴⁰ Under this arrangement, the MFN tariff combined with the Section 232 tariff (“all-in”) would not exceed 15 percent for imports of automobiles and automobile parts from EU countries. For automobiles or automobile parts where the MFN tariff exceeds 15 percent (e.g., the 25 percent MFN tariff on certain light trucks), only the MFN tariff would apply with no additional Section 232 tariff.

⁴¹ “Implementing Certain Tariff-Related Elements of the U.S.-EU Framework on an Agreement on Reciprocal, Fair, and Balanced Trade” (90 FR 46136) Sept. 25, 2025, available at: <https://www.federalregister.gov/d/2025-18660>.

⁴² Executive Order 14345 of Sept. 5, 2025, “Implementing the United States-Japan Agreement,” available at: <https://www.federalregister.gov/d/2025-17389>.

⁴³ “Implementing Certain Tariff-Related Elements of the United States-Japan Agreement,” (90 FR 44638), Sept. 16, 2025, available at: <https://www.federalregister.gov/d/2025-17908>.

⁴⁴ Fact Sheet: The United States and Korea Agree to the Korea Strategic Trade and Investment Deal, Nov. 2025, available at: <https://ustr.gov/about/policy-offices/press-office/fact-sheets/2025/november/fact-sheet-united-states-and-korea-agree-korea-strategic-trade-and-investment-deal>.

⁴⁵ “Implementing Certain Tariff-Related Elements of the U.S.-Korea Strategic Trade and Investment Deal,” (90 FR 55964), Dec. 4, 2025, available at: <https://www.federalregister.gov/d/2025-21940>.

⁴⁶ Fact Sheet on U.S.-Taiwan Agreement on Reciprocal Trade, Feb. 2026, available at: <https://ustr.gov/about/policy-offices/press-office/fact-sheets/2026/february/fact-sheet-us-taiwan-agreement-reciprocal-trade>.

⁴⁷ “Implementing Certain Tariff-Related Elements of a Trade and Security Agreement Between the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States” (91 FR 31818) May 28, 2026, available at: <https://www.federalregister.gov/d/2026-10571>.

Automotive Policy Council (AAPC) argued that this gap undermines the USMCA by providing more preferential terms and more certainty to autos imported from those regions than to autos imported from Canada and Mexico which contain higher levels of U.S. content. AAPC argued that “restoring long-term preferential treatment for USMCA-compliant vehicles and inputs would enable American Automakers to competitively compete domestically, regionally, and globally.”⁴⁸ Similarly, the Mexican Association of the Automotive Industry argued that autos from Mexico faced a higher Section 232 tariff even while complying “with the most stringent requirements of origin in any trade agreement.”⁴⁹

Other stakeholders expressed support for the tariff actions on autos, medium- and heavy-duty trucks, and parts. For example, heavy truck manufacturer PACCAR, based in Bellevue, Washington, urged the United States to maintain Section 232 tariffs on medium- and heavy-duty vehicles, noting those tariffs enabled the company to “restore and offer additional high-quality manufacturing jobs in America.”⁵⁰ Another stakeholder urged the United States to expand the application of Section 232 tariffs to additional products, such as side-by-side vehicles.⁵¹

4. The USMCA Rules of Origin for Automotive Goods

The USMCA ROOs for autos and parts require a specific amount of North American content in the final vehicle in order to qualify for duty-free treatment under the USMCA. The USMCA raised regional value content (RVC) requirements to 75 percent for passenger vehicles and light trucks, compared to 62.5 percent under the NAFTA. In addition, certain “core parts” must meet high RVC thresholds for the entire vehicle to qualify. The USMCA also requires that at least 70 percent of a vehicle producer’s steel and aluminum purchases originate in North America. Finally, the USMCA introduced a new labor value content (LVC) rule that requires a certain minimum percentage of each producer’s qualifying vehicles be produced by employees making an average wage of \$16 per hour (or equivalent amount in the applicable foreign currency). Collectively, these new requirements are intended to incentivize increased investment in autos and automotive parts production within the United States and North America.

The USMCA eliminated the NAFTA “deeming” rule whereby any auto part was “deemed” to originate in North America, regardless of its true origination, unless specifically identified at the time the NAFTA was negotiated in the early 1990s. This rule had rendered the autos ROOs increasingly obsolete as technological advances outpaced the original list of parts, and an increased number of parts manufactured outside of North America were automatically granted deemed originating status. Instead of supporting U.S., Canadian, and Mexican manufacturers and workers as the rules had intended, benefits increasingly went to producers outside of North America.

⁴⁸ American Automotive Policy Council (AAPC), Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=CQW8RFGV74>.

⁴⁹ Mexican Association of the Automotive Industry (AMIA), Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=FTFRP3PM6G>.

⁵⁰ PACCAR Inc., Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=DHR6RO9H72>.

⁵¹ Kawasaki Motors Manufacturing Corp., USA, Jan. 5, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=2RX2CJR897>.

A. Regional Value Content Requirement

The USMCA RVC requirement stipulates that motor vehicles must meet a defined threshold of North American content (expressed as a percentage of the overall vehicle value) to be considered “originating” and receive the duty-free benefits of the Agreement.

Under the USMCA, the RVC for passenger vehicles and light trucks increased to 75 percent from the NAFTA RVC of 62.5 percent.⁵² The higher RVC was implemented in equal annual stages over three years and was fully implemented on July 1, 2023.

For heavy trucks and electric light trucks, the NAFTA RVC of 60 percent was maintained upon entry into force of the USMCA.⁵³ The RVC for these trucks increased to 64 percent in July 2024 and will further increase to the final rate of 70 percent on July 1, 2027.

B. Core Parts Requirements

In addition to the overall vehicle RVC requirement, the USMCA stipulates that seven “core parts” of a vehicle—engine, transmission, body and chassis, axle, suspension system, steering system, and (where applicable) advanced battery—must themselves originate in North America for the overall vehicle to qualify for preferential tariff treatment under the USMCA.

The USMCA text provides automotive producers options as to how the core parts requirements can be met. One such flexibility permits producers to treat all the core parts as a single part for purposes of performing the RVC calculation for the core parts origination requirement.

i. The USMCA Core Parts Dispute

On August 20, 2021, Mexico formally requested consultations with the United States over the interpretation and application of the core parts requirements for autos under the USMCA. On August 26, 2021, Canada notified its intent to join the consultations. The United States held consultations with Mexico and Canada on September 24, 2021. Mexico requested and established a dispute settlement panel on January 6, 2022, and Canada joined the dispute as a co-complainant on January 13, 2022.

Consistent with the view that autos ROOs should create high standards and incentives to source in North America, the United States maintained that the core parts requirement, comprised of major, high-value auto parts like engines, advanced batteries, and transmissions, and its calculation methodology are distinct from the overall vehicle RVC calculation, constituting two separate requirements. Under the U.S. reading of the Agreement, the core parts calculation rules explicitly apply only for purposes of the additional core parts requirement, not for purposes of the overall vehicle RVC calculation. In contrast, Mexico and Canada interpreted the Agreement to allow the total value of the core parts, including the total value of

⁵² Under the USMCA, passenger vehicles are defined as vehicles of tariff subheadings 8703.21 through 8703.90, but do not include vehicles with compression-ignition (*i.e.*, diesel) engines, three- or four-wheeled motorcycles, all-terrain vehicles, or motorhomes or entertainer coaches. Light trucks are defined as vehicles of tariff subheading 8704.21 or 8704.31, except vehicles that are solely or principally for off-road use.

⁵³ Heavy trucks are defined as vehicles of tariff subheading 8701.20, 8704.22, 8704.23, 8704.32, 8704.90, or 87.06 except vehicles that are solely or principally for off-road use. At the time the Agreement was negotiated, electric and hybrid light trucks were classified in subheading 8704.90 and received heavy truck staging.

non-originating material used in those parts that are individually non-originating, to carry over into the calculation of the RVC for the vehicle itself as if 100 percent of those materials were originating. The Mexican and Canadian interpretation would therefore allow more non-originating content into North American auto supply chains (from Asia, Europe, or other third countries) than the U.S. position.

On January 11, 2023, the USMCA Parties made public the report of the panel in the dispute. In the final report, the panel found that the U.S. interpretation—that the core parts requirement is separate and distinct from the RVC calculation for the whole vehicle (such that the “roll-up” provision does not apply)—is inconsistent with Chapter 4 of the Agreement, and Article 3 of the Appendix to Annex 4-B (Provisions Related to the Product-Specific Rules of Origin for Automotive Goods) (Autos Appendix).

As required under the USMCA, the Parties have consulted regarding a potential resolution to the dispute but have yet to reach an agreement. The United States has explained that a resolution should benefit all USMCA Parties and their shared objective of bolstering North American production and employment. However, data submitted during the panel proceeding (including confidential data from automakers) suggest that the Mexican and Canadian interpretation could result in 10 to 20 percent less North American content per vehicle than the U.S. interpretation, undermining a key goal of the USMCA.

Since the panel issued its report, stakeholders from all three countries have encouraged a resolution to the dispute in order to reduce uncertainty for producers. In 2024, U.S. and Canadian automotive associations proposed that the United States resolve the outstanding dispute with a “reasonable implementation timeline and sufficient notice to automakers” but did not recommend how the dispute should be resolved.⁵⁴ The international automakers and their association, on the other hand, urged the United States to implement the panel report by adopting the core parts interpretation advocated by Canada and Mexico.⁵⁵ In 2025, the AAPC recommended the United States use the 2026 USMCA Joint Review to resolve the outstanding dispute.⁵⁶ The United States will seek to address the relevant automotive ROOs as part of the USMCA Joint Review.

C. North American Steel and Aluminum Purchase Requirements

Passenger vehicles, light trucks, and heavy trucks are also subject to producer steel and aluminum purchase requirements in order to qualify as originating under the USMCA. Under these requirements, vehicle producers must purchase at least 70 percent of their steel and aluminum (by value) from within North America. The Agreement provides vehicle producers with several options to calculate and certify their purchases of North American steel or aluminum. These new requirements went into effect in July 2020 upon the USMCA’s entry into force.

Beginning in July 2027 (seven years after entry into force of the USMCA), a “melt and pour” provision will go into effect and require all related steel manufacturing processes—except metallurgical processes involving the refinement of steel additives—to occur in one or more of the USMCA Parties for steel to be considered originating under the USMCA steel purchase requirement. According to the steel industry, steel is “melted and poured” when raw steel is first produced in a steelmaking furnace in a liquid state

⁵⁴ American Automotive Policy Council, Jan. 18, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0017>. Canadian Vehicle Manufacturers’ Association, Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0014>.

⁵⁵ Autos Drive America, Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0009>.

⁵⁶ American Automotive Policy Council, Nov. 3, 2025, available at: <https://comments.ustr.gov/s/commentdetails?rid=XK932MXVTR>.

then poured into its first solid shape, either a semifinished or a finished steel product.⁵⁷ The Agreement notes that such processes include the initial melting and mixing and continue through the coating stage, but does not apply the requirement to raw materials used in the steel manufacturing process.⁵⁸ This new requirement will ensure that greater quantities of North American steel are used in the automotive industry.

Further, in 2030, the USMCA requires that the Parties consider similar appropriate requirements for aluminum to be considered originating under the purchase requirement. This provision is similarly intended to encourage greater quantities of North American aluminum—especially aluminum “smelt and cast” in North America—to be used in the automotive industry. The U.S. aluminum industry urged USTR to swiftly negotiate and implement such a requirement in order to stop aluminum smelt and cast in non-market economies from receiving preferential treatment under the USMCA.⁵⁹

D. The Labor Value Content Requirements

The LVC provision requires a specific minimum percentage of the content in passenger vehicles, light trucks, and heavy trucks, by value, to be sourced from North American manufacturing facilities that compensate workers at an average hourly base wage rate of at least \$16 per hour. For light trucks and heavy trucks, at least 45 percent of the value, and for passenger vehicles, at least 40 percent of the value, must meet these high-wage expenditure requirements. The three categories of high-wage expenditures are as follows:

1. High-wage material and manufacturing expenditures

The high-wage material and manufacturing expenditures provision requires that at least 30 percent of the annual purchase value or net cost of a light truck or heavy truck, and at least 25 percent of the annual purchase value or net cost of a passenger vehicle, come from parts and materials that are produced in a North American production plant or facility, or from any labor costs in the vehicle assembly plant or facility that is located in North America, with an average hourly base wage rate of at least \$16 per hour.

2. High-wage technology expenditures

The high-wage technology expenditures provision allows producers to claim a credit of up to 10 percentage points towards the LVC requirements. The credit is calculated using the producer’s total annual expenditures on wages for research and development or information technology as a percentage of the vehicle producer’s total annual expenditures on production wages in North America.

3. High-wage assembly expenditures

The high-wage assembly expenditures provision permits producers to claim a single credit of 5 percentage points towards the LVC requirements if the producer has an engine, transmission, or

⁵⁷ American Iron and Steel Institute, Jan. 7, 2026, available at:

<https://comments.ustr.gov/s/commentdetails?rid=MPQBX4FVMP>.

⁵⁸ Such raw materials include steel scrap; iron ore; pig iron; reduced, processed, or pelletized iron ore; or raw alloys.

⁵⁹ The Aluminum Association, Jan. 7, 2026, available at:

<https://comments.ustr.gov/s/commentdetails?rid=RFTQH7CV47>. Aluminum Extruders Council, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=DRB9PPM6JY>.

advanced battery assembly plant meeting certain production capacity levels in North America with an average hourly base wage rate of at least \$16 per hour, or has a long-term contract with such a plant.

This requirement is aimed at attracting new vehicle production and auto parts investments to the United States, supporting higher-paying jobs, and leveling the playing field across the USMCA countries to ensure fair competition for U.S. workers and producers.

E. Establishment of the Alternative Staging Regimes

In order to provide vehicle manufacturers time to adjust to the new requirements of the USMCA, the Agreement afforded the opportunity for manufacturers to apply for an Alternative Staging Regime (ASR) that would create a detailed and credible plan to gradually meet RVC and LVC levels for up to five years before having to satisfy the standard USMCA ROO requirements. The ASR differed from the standard staging regime by providing additional flexibility with respect to the phase-in of certain ROO requirements.

For instance, under an ASR, importers of certain passenger vehicles and light trucks had additional time to meet the ROO requirements, and during that period, the vehicles were subject to different RVC and LVC thresholds. Upon expiration of the ASR, importers had to demonstrate that the vehicles meet the standard USMCA ROOs.

The quantity of passenger vehicles or light trucks eligible for an ASR was generally limited to 10 percent of a vehicle producer's total passenger vehicle or light truck production in North America during the 12-month period prior to entry into force of the Agreement, or the average of such production during the complete 36-month period prior to entry into force of the Agreement, whichever was greater. Vehicle producers could request quantities above this limit if they provided a detailed and credible plan that ensured that these vehicles would meet all the requirements during the ASR period and the standard requirements after the expiration of the ASR.⁶⁰

In April 2020, USTR, in consultation with the Interagency Autos Committee, published a *Federal Register* notice providing procedures and guidance for North American producers of vehicles intending to submit a petition for an ASR.⁶¹ Canada and Mexico published similar notices that invited producers to submit requests for alternative staging.

In response to the *Federal Register* notice, vehicle producers submitted petitions to USTR, including detailed plans for vehicles to meet the applicable requirements if the quantity of vehicles for which the producer requested an ASR exceeded the 10 percent threshold noted above. The plans included commitments to make additional investments in the United States and North America, or additional purchases of U.S. and North American parts, steel, or aluminum. Given the highly integrated nature of

⁶⁰ In addition, the ASR provisions permitted companies to receive continued treatment provided for under Article 403.6 of the NAFTA for a limited period. Article 403.6 allowed auto producers to meet lower RVC requirements for vehicle models produced as the result of new investments in North America for a period of up to five years. As of 2024, the continued treatment under Article 403.6 of the NAFTA has expired for all producers.

⁶¹ "Procedures for the Submission of Petitions by North American Producers of Passenger Vehicles or Light Trucks to Use the Alternative Staging Regime for the USMCA Rules of Origin for Automotive Goods," 85 FR 22238 (Apr. 21, 2020), available at: <https://www.federalregister.gov/d/2020-08405>.

the North American automotive industry, USTR coordinated with the governments of Canada and Mexico throughout the alternative staging process.

Thirteen vehicle producers requested and received approval for their ASRs:⁶²

- Cooperation Manufacturing Plant Aguascalientes (COMPAS)⁶³
- FCA North America Holdings LLC
- Ford Motor Company
- Honda North America, Inc.
- Hyundai Motor America
- Kia Motors Manufacturing Georgia
- Kia Motors Mexico
- Mazda North America
- Nissan North America Inc.
- Tesla Inc.
- Toyota Motor North America Inc.
- Volkswagen Group of America, Inc.
- Volvo Car Corporation

A vehicle producer was required to notify USTR and the Interagency Autos Committee as soon as practicable of any material changes to the information contained in the producer's original petition that affected the producer's ability to meet the standard USMCA ROOs once the ASR expired. A producer that made such a notification was permitted to request modifications to its ASR. USTR, in consultation with the Interagency Autos Committee, reviewed each producer's modification request. USTR also coordinated with Canada and Mexico on modification requests with a view towards boosting North American production of autos and auto parts. Between 2020 and 2024, USTR received four modification requests.

USTR required producers to submit annual progress reports outlining the extent to which the calculations, projections, and commitments contained in the original ASR petitions remained true and accurate. As part of these annual reports, USTR also required updates on producers' efforts to support local production and any new USMCA-related investments. Since 2021, producers were required to submit annual progress reports to USTR until the expiration of the approved or modified ASR.

A producer could lose eligibility for preferential treatment under its ASR if USTR, in consultation with the Interagency Autos Committee, determined that the producer failed to meet the requirements for use of the ASR, or if the producer failed to submit an annual progress report, or if the progress report demonstrated meaningful deviation from the producer's original submission. During the ASR period, all producers submitted adequate annual progress reports, and no producer lost the ability to use its ASR.

Nearly all the ASRs expired by the end of 2025, and the few remaining ASRs will expire by the end of 2026. Upon expiration of the ASRs, the covered vehicles are required to meet the full USMCA ROOs in order to continue receiving preferential treatment.

⁶² USTR maintains a current list of companies with approved alternative staging regimes on its website at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/alternative-staging>

⁶³ COMPAS was a manufacturing joint venture equally owned by Mercedes-Benz Group and Nissan.

F. Rules of Origin Applicable to Other Vehicles

Under the USMCA, other vehicles (*i.e.*, those not defined under the Agreement as passenger vehicles, light trucks, or heavy trucks) are subject to a different set of ROOs.⁶⁴ The RVC for other vehicles ranges from 60 percent to 62.5 percent, depending on the type of vehicle. Buses and other vehicles designed for the transport of 16 or more persons are subject to the 60 percent RVC, while other vehicles designed for the transport of 15 or fewer passengers are subject to the 62.5 percent RVC. Likewise, diesel engine passenger vehicles, three- or four-wheel all-terrain vehicles (ATVs), and motorcoaches are subject to a 62.5 percent RVC. These other vehicles are not subject to the core parts requirements, the steel and aluminum purchase requirements, or the LVC requirements that are applicable to passenger vehicles, light trucks, and heavy trucks.

5. Enforcement of the USMCA Automotive Rules of Origin

The USMCA is the only U.S. trade agreement to contain provisions requiring producers to ensure their vehicles meet specific LVC requirements in order to qualify for preferential tariff treatment. As such, the Act requires coordination among CBP, DOL, and the U.S. Department of the Treasury to implement these LVC requirements, which include promulgating regulations that set forth the procedures for auto producers to establish compliance with these requirements. DOL's Wage and Hour Division (DOL-WHD) fulfills this role for DOL.⁶⁵ CBP is responsible for determining whether a covered vehicle meets the LVC requirements generally, based on DOL-WHD's analysis of the high-wage components of the LVC requirements and CBP's analysis of the valuation and other components of the LVC calculation. CBP is solely responsible for determining whether a covered vehicle is an originating good qualifying for USMCA preferential tariff treatment.

DOL-WHD supports CBP in two main ways: (1) reviewing, in consultation with CBP, LVC certifications for omissions or errors; and (2) conducting USMCA verifications of the high-wage components of the LVC requirements (mainly, the average hourly base wage rate). Additionally, DOL-WHD investigates allegations of violations of whistleblower protections provided in the Act for any person who discloses information to a federal agency or to any person relating to a verification of the producer's compliance with the LVC requirements, or who cooperates or seeks to cooperate in an LVC verification.

To ensure the LVC provisions are properly effectuated in the facilitation and enforcement of USMCA auto imports, CBP and DOL-WHD have aligned their internal procedures and communication to the trade community. For example, consistent with the Act, the two agencies have coordinated to establish policies regarding LVC certifications, including the information required for certification, timeframes for certification submissions,⁶⁶ and internal processes for CBP and DOL-WHD review of the LVC certifications and corresponding responses to producers.

Prior to the USMCA's implementation, CBP established the USMCA Center within CBP's Office of Trade, Trade Programs Directorate to serve as a one-stop-shop for the automotive industry and other trade

⁶⁴ Illustrative examples of "other vehicles" include passenger vehicles with diesel engines, golf carts, ATVs, motor coaches, off-highway trucks, and recreational vehicles.

⁶⁵ See 19 U.S.C. § 4532(c), (e).

⁶⁶ U.S. Customs and Border Protection, USMCA Implementation Instructions, available at: <https://www.cbp.gov/document/guidance/usmca-implementation-instructions>.

community members seeking information concerning the USMCA. Staffed with CBP experts from operational, legal, and audit disciplines, and in collaboration with Canadian and Mexican customs authorities, the USMCA Center was integral to CBP's USMCA implementation plan and provided consistent and comprehensive guidance to internal and external stakeholders from 2020 through January 2023. In February 2023, CBP's Office of Trade successfully transitioned all USMCA Center responsibilities to the Textiles and Trade Agreements Division (TTAD) within the Trade Policy and Programs Directorate.⁶⁷ TTAD continues to provide support to the U.S. Government and stakeholders on all matters involving CBP's role in USMCA implementation, facilitation, and enforcement.

A. Guidance and Regulations

On June 30, 2020, CBP published USMCA Implementing Instructions providing guidance with respect to preferential tariff claims under the USMCA, including the auto certification requirements, how to file the certifications, and related averaging election documents. During this time, CBP acknowledged that the trade community would need time to adjust its business practices to comply with the new requirements. On January 12, 2021, CBP published an addendum to the Implementing Instructions which extended the period of "restrained enforcement" for automotive goods through June 30, 2021, in recognition of the complexities in meeting automotive ROOs. This addendum also introduced additional data elements for vehicle certifications.

On July 1, 2020, the USMCA Uniform Regulations were issued.⁶⁸ These Uniform Regulations, which were promulgated trilaterally, set forth the framework for implementing the U.S. regulations for the ROOs for autos, including the LVC, steel, and aluminum content required to claim USMCA preference.

Also on July 1, 2020, in accordance with Section 210(b) of the Act, DOL issued regulations necessary to administer the high-wage components of the LVC requirements as set forth in the Agreement and Section 202A of the Act. Specifically, as directed by the Act, DOL's regulations at 29 CFR Part 810 implemented the Act's requirements and established procedures for certification and verification of the high-wage components of the LVC requirements. 29 CFR 810.800, enforced by DOL-WHD, provides certain whistleblower protections relating to a verification of a producer's compliance with the LVC requirements. If an investigation discloses a violation, DOL-WHD may prescribe any remedies, including monetary relief, injunctive relief, and/or civil money penalties.

On July 6, 2021, CBP published additional regulations related to general definitions, confidentiality, import requirements, export requirements, post-importation duty refund claims, drawback and duty deferral programs, general verifications and determinations of origin, commercial samples, goods re-entered after repair or alteration in Canada or Mexico, and penalties.⁶⁹ This document made amendments to the marking rules in determining the country of origin for goods imported from Canada or Mexico and

⁶⁷ U.S. Customs and Border Protection, U.S.-Mexico-Canada Agreement (USMCA), available at: <https://www.cbp.gov/trade/priority-issues/trade-agreements/free-trade-agreements/USMCA>.

⁶⁸ U.S. Customs and Border Protection, Implementation of the Agreement Between the United States of America, the United Mexican States, and Canada (USMCA) Uniform Regulations Regarding Rules of Origin, 85 FR 39690 (July 1, 2020), available at: <https://www.federalregister.gov/d/2020-13865>.

⁶⁹ U.S. Customs and Border Protection, "Agreement Between the United States of America, the United Mexican States, and Canada (USMCA) Implementing Regulations Related to the Marking Rules, Tariff-Rate Quotas, and Other USMCA Provisions," (86 FR 35566) July 6, 2021, available at: <https://www.federalregister.gov/d/2021-14264>.

for other purposes specified by the USMCA. This document also included amendments to CBP regulations governing the requirements for an export certificate, and conforming amendments for the declaration required for goods reentered after repair or alteration in Canada or Mexico, recordkeeping provisions, and the modernized drawback provisions.

On January 17, 2025, CBP published another interim final rule (IFR), which took effect on March 18, 2025.⁷⁰ This IFR amended existing regulations and provided additional implementing regulations for:

- Automotive goods, including specific data requirements for LVC, steel purchasing, and aluminum purchasing certifications;
- Compliance with these automotive certification requirements, including, for example, that, as of May 19, 2025, producer certifications include producer’s LVC calculation;
- Drawback and duty-deferral programs;
- Recordkeeping and protest requirements;
- Amendments to implement the temporary admission of goods, including extending the timeframe for temporary admission of shipping containers or other substantial holders;
- Clarification of fee provisions and other conforming amendments; and
- Declaration on entry summary documents of the CBP-issued vehicle certification unique identifier (VCUI) for approved certification documents related to aluminum purchasing, steel purchasing, LVC, and ASR.

These regulations were designed to enhance enforcement, offer greater clarity for compliance, and minimize uncertainty for importers and the trade community.

Importers are also adapting to new requirements involving VCUI for claiming preferential tariff treatment on automotive goods. The inclusion of the VCUI on the entry summary significantly enhances CBP’s ability to enforce compliance with the automotive ROOs by providing a verifiable link between the claimed preference and the underlying certification data.

B. Verification of Compliance

During the period of 2021 through 2025, CBP conducted 961 verifications of USMCA auto parts and used vehicles with an aggregate value of \$90.2 million.⁷¹ Of the 961 verifications, 230 were found to be noncompliant (representing a 24 percent discrepancy rate) due to RVC non-compliance, insufficient documentation, or non-response. *See Appendix 2 for more details, including verifications by HTSUS heading, and total value of imports subject to verification.*

The automotive ROOs require producers to certify their corporate purchases of steel and aluminum as well as certify that the production of passenger vehicles, light trucks, or heavy trucks meets the applicable

⁷⁰ U.S. Customs and Border Protection, “Agreement Between the United States of America, the United Mexican States, and Canada (USMCA) Implementing Regulations Related to Textile and Apparel Goods, Automotive Goods, and Other USMCA Provisions,” (90 FR 6456) Jan. 17, 2025, available at: <https://www.federalregister.gov/d/2025-00550>.

⁷¹ CBP elected to exercise a period of restrained enforcement on USMCA preferential claims, from July 1, 2020, through Dec. 31, 2020, with an extension through June 30, 2021, for automotive goods. *See USMCA Implementation Instructions published, June 30, 2020, and the USMCA Implementation Instructions Addendum published, January 12, 2021.*

LVC requirements. As noted in Table 4, between December 2020 through December 2025, CBP and DOL-WHD reviewed a total of 423 auto certifications from 15 producers: 105 aluminum certifications, 99 steel certifications, and 219 LVC certifications.⁷²

Table 4: USMCA Automotive Certifications Reviewed, Dec. 2020–Dec. 2025

Year	Aluminum	Steel	LVC
2020	11	10	19
2021	18	14	23
2022	16	18	41
2023	13	13	39
2024	10	9	36
2025	37	35	61
Total	<i>105</i>	<i>99</i>	<i>219</i>

In 2024, CBP conducted four vehicle verification audits under the USMCA automotive ROOs, verifying the origin, value, and use of steel and aluminum in vehicle production. In all four of these verification audits, CBP concluded that the USMCA aluminum and steel requirements were met.

In 2025, CBP and DOL-WHD completed two USMCA vehicle verification audits involving the LVC requirements and found that the requirements were met in both instances. In each audit, CBP and DOL-WHD verified compliance for multiple plants and facilities relied upon by subject producers to meet the LVC requirements. The LVC verifications examined all three high-wage expenditure components of the LVC requirements: the high-wage materials and the manufacturing expenditures, high-wage technology expenditures credit, and high-wage assembly expenditures credit. CBP verified the cost of high wage and non-high wage material and parts purchases and the minimum production capacity for high-wage assembly plants. DOL-WHD’s role included verifying compliance with the average hourly base wage rate requirements. CBP and DOL-WHD encountered numerous challenges during these verification audits including producer adaptation to a post-NAFTA environment and the learning curve for suppliers’ understanding of the USMCA’s recordkeeping requirements.

At the time of writing, two additional USMCA verification audits involving the LVC requirements are underway: DOL-WHD, in cooperation with CBP, is verifying the high-wage components of the LVC requirements, while CBP is verifying the other aspects of the LVC requirements. CBP and DOL-WHD are leveraging the experience gained from their past verifications to carry out these verifications effectively and efficiently. Once the audits conclude, CBP will incorporate DOL-WHD findings to inform its determination of whether the vehicle producers have met the LVC requirements. If a violation is found, the matter will be referred to CBP’s Automotive and Aerospace Center of Excellence and Expertise for enforcement action.

⁷² The number of LVC certifications exceeds the number of steel and aluminum certifications in part because LVC certifications are based on the vehicle make and vehicle type (and so a single producer may submit multiple LVC certifications). Aluminum and steel certifications are based on the producer’s corporate purchases of aluminum and steel, so a single producer may submit a single certification. Consistent with the Act, CBP and WHD-DOL review LVC certifications for omissions and errors, while only CBP reviews steel and aluminum certifications.

C. USMCA Rapid Response Labor Mechanism and Automotive Goods

The USMCA Rapid Response Labor Mechanism (RRM) allows any natural person or enterprise to petition the U.S. Government, through the DOL's Bureau of International Labor Affairs (DOL-ILAB), to investigate alleged denial of workers' rights at a specific facility in Mexico, including automotive facilities. Allegations must relate to the right to freedom of association and collective bargaining, which are guaranteed under both Mexican law and the terms of the USMCA.

Investigations are led by USTR and DOL-ILAB as co-chairs of the Interagency Labor Committee that monitors implementation of the USMCA labor obligations, which must approve any enforcement recommendations pursuant to the RRM. If the Interagency Labor Committee finds there is sufficient, credible evidence of a denial of rights, it informs the Trade Representative for purposes of requesting that the Government of Mexico review the alleged denial of rights at the facility. Upon requesting Mexico's review, the Trade Representative may direct the Secretary of the Treasury to suspend liquidation of unliquidated entries of goods from the facility pending resolution of the review.

From July 2020 through December 2025, CBP suspended approximately 178,696 entries, representing \$30 billion of automotive products from 39 covered facilities at which the Interagency Labor Committee found sufficient, credible evidence of a denial of rights enabling the good-faith invocation of enforcement mechanisms under the USMCA. Liquidation remains suspended until such time as the Trade Representative notifies the Secretary of the Treasury that an arbitral panel has determined there is no denial of rights, a course of remediation acceptable to the U.S. Government has been agreed to and completed in accordance with the agreed-upon time, or the denial of rights has been otherwise remediated.

6. Steps Taken by Stakeholders to Meet the USMCA Rules of Origin

Since the USMCA's ROOs were made public in late 2018, manufacturers have invested hundreds of billions of dollars to increase North American autos and parts production and to establish production of newer technology vehicles, such as electric vehicles (EVs) or hybrids. However, stakeholders have indicated to USTR that challenges remain in meeting the USMCA ROOs. Vehicle and parts producers commented to USTR that the more stringent ROOs of the USMCA continue to impose administrative burdens on the industry, especially on parts producers because the ROO requirements for a given part may differ depending on whether the part is incorporated into a passenger vehicle, a heavy truck, or simply traded on its own. Further, despite flexibilities built into the certification processes, auto parts producers continue to face challenges in soliciting certifications from their lower-tier suppliers, and in responding to certification requests from the vehicle producers.⁷³

Vehicle producers also commented on the burden of meeting various certification requirements—particularly those to demonstrate compliance with the LVC and the steel and aluminum purchase requirements. According to vehicle producers, the current certification deadlines do not provide enough time to gather the necessary data and make calculations. In addition, producers and traders have

⁷³ MEMA, Comments of MEMA, the Vehicle Suppliers Association to the Office of the United States Trade Representative on the Request for Comments and Notice of Public Hearing on the Operation of the United States-Mexico-Canada-Agreement with Respect to Trade in Automotive Goods, Docket No. USTR-2023-0013 (2024 USMCA Autos Report), Jan.17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0019>.

expressed frustrations with having to make some calculations twice in order to meet the certification deadline.⁷⁴ Labor representatives expressed concerns that the ongoing phase-in of the ROOs, the ASRs, and a perceived lack of transparency on how the ROOs are being enforced have made it difficult to assess the impact and functioning of the USMCA, especially with regards to North American workers.

A. Investment and Localization Efforts

Since the conclusion of USMCA negotiations in late 2018, automakers and suppliers have made significant investments throughout the United States and North America to localize production to meet the USMCA ROOs. According to the Center for Automotive Research, automakers and suppliers have announced \$448.5 billion in investments throughout North America from 2018 through 2025.⁷⁵ Of that, \$346.5 billion of the announced investments were for facilities in the United States (77.2 percent) with the remaining investments almost evenly split between Canada (\$46.8 billion, 10.4 percent) and Mexico (\$55.1 billion, 12.3 percent).

Since 2018, most investments announced by automakers and suppliers have been focused on the industry's electrification efforts, including new plants for EV manufacturing and new EV battery manufacturing facilities. From 2018 through 2025, automakers announced \$190.5 billion in new EV-related plants (of which \$144.9 billion were in the United States). Likewise, suppliers announced \$74.9 billion in new EV-related parts facilities (of which \$44.2 billion was in the United States).⁷⁶ However, with the declining demand for EVs in the United States, automakers have announced renewed investments in the United States for non-EV vehicles, totaling \$27.4 billion in 2025. (*See Appendix 3 for more details on investments in North America.*)

As part of its 2025 report on USMCA autos, the USITC surveyed auto and parts producers on sourcing changes or new production attributed to the USMCA.⁷⁷ The survey found that most sourcing changes (82.4 percent) made since 2018 were *fully* attributed to changes to the USMCA ROOs, and the remaining 17.6 percent were only *partially* attributed to changes in the ROOs.⁷⁸ The survey also found that most of the sourcing changes were from South Korea or Japan to North America (*see Figure 3*).

⁷⁴ Autos Drive America, Comments Concerning the Operation of the United States-Mexico-Canada Agreement with Respect to Trade in Automotive Goods, Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0009>. The American Association of Exporters and Importers, Docket Number USTR-2023-0013 Request for Comments and Notice of Public Hearing Concerning the Operation of the United States-Mexico-Canada Agreement with Respect to Trade in Automotive Goods, Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0007>.

⁷⁵ Center for Automotive Research, Book of Deals.

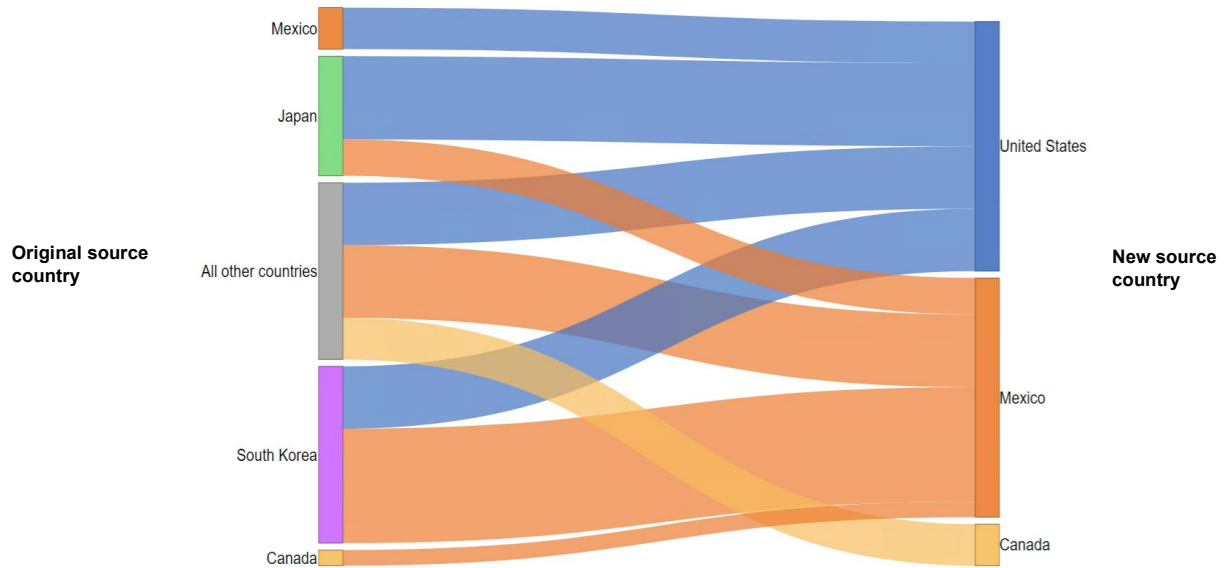
⁷⁶ *Ibid.*

⁷⁷ USITC, *op. cit.*, p. 223.

⁷⁸ USITC, *op. cit.*, p. 124.

Figure 3 Change in the source of motor vehicle parts and materials attributable to the rules of origin

The width of bands reflects the number of sourcing change flows from the original source to the new source.



Source: USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report*, July 2025, p. 125.
Note: See chapter 4 of the [USMCA Automotive Rules of Origin: Economic Impact and Operation, 2025 Report](#) for more information.

B. Use of the Alternative Staging Regimes

Although ASRs approved by USTR varied by company, vehicle producers generally identified in their ASR plans current and future investments in local parts production as the path to compliance with the USMCA ROOs at the conclusion of their ASR periods. Some of the plans focused on relocating core parts (e.g., engines, transmissions, and advanced batteries) production to North America and boosting company purchases of North American steel and aluminum. Beyond core parts, companies also highlighted plans to increase North American sourcing of other key high-value components.

In some instances, producers requested an ASR before USMCA entry into force to maintain existing sourcing arrangements for previously NAFTA-compliant vehicles in the late stages of production cycles. Producers indicated that it would not be economically viable to retool factories or make major sourcing shifts for these vehicles in order to meet the USMCA ROOs. Companies indicated that flexibility provided by the ASR would free up resources to focus on longer-term investments for local parts production for new vehicles or future production cycles of existing models to meet the USMCA requirements.

In other instances, producers requested an ASR for vehicles in the middle of their production cycles. This approach provided the producers flexibility to focus on shorter-term investments for local production of certain key components, such as engines and other core parts, without causing serious disruption to the current production cycle.

Several producers requested ASRs for EVs and hybrid EVs due to the lack of availability of North American lithium-ion batteries and related inputs (*e.g.*, battery cells) necessary to meet the standard automotive ROOs.

C. USMCA Treatment of Used Vehicles

The USMCA does not differentiate between new and used vehicles for ROO purposes. As a result, used vehicles must meet the same USMCA ROOs—including the RVC, the LVC, the core parts, and steel and aluminum requirements—as new vehicles to qualify for duty-free treatment under the Agreement. Stakeholders continue to argue that these requirements disadvantage used vehicles because such standards did not apply to vehicles produced in North America under the NAFTA (prior to July 1, 2020), and there are no records or other information that can retroactively demonstrate that a used vehicle manufactured prior to the implementation of the USMCA satisfies the USMCA ROOs. For newer (post-July 1, 2020) vehicles, the International Motor Vehicle Trade Association indicated some, but not all, manufacturers will provide certificates of origin to help demonstrate USMCA compliance, and often the certificates do not provide enough information to satisfy the LVC or the steel and aluminum purchase requirements.⁷⁹

D. Impact on Parts Suppliers

In prior comments to USTR, MEMA, the Vehicle Suppliers Association, contended that automotive parts suppliers faced challenges in complying and demonstrating compliance with the USMCA ROOs and that administrative costs for suppliers have increased under the USMCA compared to the NAFTA. Previously, MEMA noted that one of its members was forced to increase administrative headcount to manage an estimated 25 percent increase in USMCA compliance issues.⁸⁰

Additionally, MEMA previously noted that the different ROOs that may be applied to the same part based on its incorporation into a passenger vehicle, heavy truck, or an “other vehicle,” which places additional compliance burdens on suppliers. MEMA noted that dual-track platforms for EVs and internal combustion vehicles, with traditional components and new technologies, can create similar problems for suppliers because different ROOs may apply for very similar components.⁸¹

MEMA urged USTR to consider the “fragility” of the automotive supply base, especially with Tier 2 and Tier 3 suppliers, many of which have long been established and operating in the United States. These suppliers produce critical components such as metal stampings and plastic extrusions used in EVs and internal combustion vehicles. MEMA argued that these suppliers may often have limited capacity to fully incorporate—and therefore comply with—USMCA’s automotive ROOs because they do not have trade compliance staff. For these reasons, MEMA encouraged USTR to work with automotive suppliers to

⁷⁹ International Motor Vehicle Trade Association, Jan. 7, 2026, available at: <http://comments.ustr.gov/s/commentdetails?rid=864JXW8T94>.

⁸⁰ MEMA, Comments of MEMA, the Vehicle Suppliers Association to the Office of the United States Trade Representative on the Request for Comments and Notice of Public Hearing on the Operation of the United States-Mexico-Canada-Agreement with Respect to Trade in Automotive Goods, Docket No. USTR-2023-0013 (2024 USMCA Autos Report), Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0019>.

⁸¹ *Ibid.*

minimize the impact of administrative burdens on the supply base.⁸² USTR and the Interagency Autos Committee consult regularly with MEMA and its member companies on these issues.

In its 2026 comments to USTR, MEMA suggested certain improvements to the USMCA that could help suppliers, particularly small- and medium-sized suppliers, which represent over 60 percent of the MEMA membership. These included simplification of documentation requirements; clearer guidance and training RVC calculations; exemptions or simplified rules for low-volume suppliers; standardized digital compliance tools; and centralized regulatory support.⁸³

7. Other Factors Impacting the Competitiveness of the North American Auto Industry

The 2022 and 2024 reports highlighted several external factors that negatively impacted the competitiveness of the North American auto industry at that time. The COVID-19 pandemic and resulting lockdowns in 2020 directly led to sharp declines in U.S. vehicle production and employment. In addition, the COVID-related supply chain disruptions—particularly the shortage of semiconductor chips—significantly restrained the production of passenger vehicles. In its 2022 comments to USTR, industry reported that the semiconductor shortage resulted in an estimated production loss of 1.52 million U.S. vehicles in 2021, and forecast a production loss of more than a million U.S. vehicles in 2022.⁸⁴ The 2024 report highlighted concerns with Chinese overcapacity in autos, especially for EVs, and the impact that consumer tax provisions in the Inflation Reduction Act (IRA) may have on U.S. EV production.

A. Global Supply Chain Challenges

Since 2024, U.S. and North American automakers have continued to weather several external global supply chain challenges affecting their ability to produce autos in North America. These challenges have continued to spotlight the industry's reliance on third-countries and exposed the risks of supply chain concentration for some key automotive inputs, such as semiconductors, critical minerals, and materials. The challenges also highlighted a continued need to develop additional policies, including through the USMCA, to diversify the supply of these key inputs and enhance supply chain resilience.

i. Semiconductors

On October 4, 2025, China's Ministry of Commerce (MOFCOM) imposed company-specific export controls on Nexperia China, prohibiting the company from exporting semiconductors outside of China. Nexperia, a Netherlands-headquartered chipmaker owned by China's Wingtech Technology, produces diodes, transistors, digital switches (MOSFETs), analog, and logic chips for automotive and non-automotive applications.⁸⁵ MOFCOM imposed export controls after the Government of the Netherlands

⁸² Testimony of Ann Wilson, Executive Vice President of Government Affairs, MEMA the Vehicle Suppliers Association, Feb. 7, 2024. Transcript available at: <https://www.regulations.gov/document/USTR-2023-0013-0034>.

⁸³ MEMA, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=D2WV2PDJFJ>.

⁸⁴ American Automotive Policy Council, "Biden Administration Request for Comments Concerning the Operation of the United States-Mexico-Canada Agreement (USMCA) with Respect to Trade in Automotive Goods," Mar. 28, 2022, available at: <https://comments.ustr.gov/s/commentdetails?rid=VDRB3KCF9K>.

⁸⁵ Nexperia, *Update on Company Developments*, Oct. 14, 2025, available at: <https://www.nexperia.com/about/news-events/press-releases/update-on-company-developments>.

invoked the *Goods Availability Act* to assert control over Nexperia B.V. (Nexperia Netherlands), citing “the improper transfer of production capacity, financial resources, and intellectual property rights to a foreign entity owned by the Wingtech Technology CEO and not connected to Nexperia.”⁸⁶ Nexperia Netherlands produces wafers in Germany and the United Kingdom, which are then sent to Nexperia China assembly and testing facilities in China, Malaysia, and the Philippines for packaging.⁸⁷

These events resulted in disruptions to Nexperia’s production and delivery of semiconductors, challenging global automotive supply chains during the last quarter of 2025 and early 2026.⁸⁸ Industry estimated that resulting shortages of Nexperia chips caused multiple automakers to cut production and at least one key parts supplier to curtail production hours.⁸⁹ Other suppliers were very close to halting production for a period due to delays and shortages.

On November 1, 2025, President Trump and President Xi reached a trade and economic deal, under which China committed to “take appropriate measures to ensure the resumption of trade from Nexperia’s facilities in China, allowing production of critical legacy chips to flow to the rest of the world.”⁹⁰ Although export controls have been removed, and Nexperia chips packaged in China are being sent to customers around the world, the corporate dispute between Nexperia Netherlands, its Chinese owner, and Nexperia’s Chinese packaging facility, continues to challenge the global supply chain for automotive semiconductors.

ii. Critical Minerals and Permanent Magnets

In mid-2023, China began implementing targeted export controls on specific critical raw materials and related products (*see Table 5*). These restrictions led to a rise in prices for the controlled materials and, in some cases, disruptions in the supply of these materials and downstream goods that depend on them. These controlled critical raw materials have broad application in the automotive industry space, including tungsten carbide tooling for manufacturing, antimony in lead-acid batteries, and yttrium in light-emitting diode (LED) headlamps.

⁸⁶ Government of the Netherlands, *Letter to the Parliament on the Invoked Goods Availability Act*, Oct. 14, 2025, available at: <https://www.government.nl/documents/parliamentary-documents/2025/10/14/letter-to-the-parliament-on-the-invoked-goods-availability-act>.

⁸⁷ Nexperia, *Manufacturing*, <https://www.nexperia.com/about/worldwide-locations/manufacturing>. Nexperia B.V. is a semiconductor manufacturer headquartered in Nijmegen, the Netherlands, and is fully owned by China-based Wingtech Technology.

⁸⁸ CBT News, “Global auto production rattled as Nexperia chip shortage exposes supply-chain vulnerabilities,” Nov. 25, 2025, available at: <https://www.cbtnews.com/global-auto-production-rattled-as-nexperia-chip-shortage-exposes-supply-chain-vulnerabilities/>

⁸⁹ Reuters, “How the Nexperia chip crisis upended auto supply chains – again” Nov. 24, 2025, available at: <https://www.reuters.com/business/autos-transportation/how-nexperia-chip-crisis-upended-auto-supply-chains-again-2025-11-24/#:~:text=The%20Nexperia%20shortage%20forced%20Nissan,securing%20alternative%20parts%2C%20Chiou%20said>

⁹⁰ The White House, “Fact Sheet: President Donald J. Trump Strikes Deal on Economic and Trade Relations with China,” Nov. 1, 2025, available at: <https://www.whitehouse.gov/fact-sheets/2025/11/fact-sheet-president-donald-j-trump-strikes-deal-on-economic-and-trade-relations-with-china/>.

Most notable of the controlled materials are permanent magnets made of neodymium or dysprosium, which are used in a variety of automotive applications. Such magnets are integral to the drive motors of EVs, but are also key components in audio speakers, seatbelt sensors, and braking systems.

As part of the November 1, 2025, trade and economic deal announced by President Trump and President Xi, China committed to issuing general licenses valid for exports of rare earths (including permanent magnets), gallium, germanium, antimony, and graphite for the benefit of U.S. end users and their suppliers around the world. These general licenses resulted in a *de facto* removal of the Chinese export controls on those products.⁹¹

Table 5 Chinese Export Controls on Critical Materials Affecting the Automotive Industry

Date Imposed	Critical Materials Covered	Examples of Uses in the Automotive Industry
July 2023	Gallium & Germanium	Gallium is used in semiconductors and well as reducing mass in EVs.
Oct. 2023	Graphite	Graphite is the primary material in EV battery anodes.
Aug. 2024	Antimony and Superhard Materials	Antimony is an input for lead-acid batteries and as a synergist in flame-retardant plastics for auto interiors.
Feb. 2025	Tungsten and Tellurium	Tungsten carbide tooling is used for cutting, machining, and manufacturing durable components, such as engines, transmissions, and brake systems.
Apr. 2025	Certain Rare Earth Elements (including neodymium, gadolinium, dysprosium, yttrium, and terbium)	Neodymium and dysprosium are used for permanent magnets used across a variety of auto applications including audio speakers, seatbelt sensors, EV drive motors, and seat motors. Yttrium is used to enhance LED lamps.
Oct. 2025	Lithium Battery and Artificial Graphite Electrode Materials	Advanced batteries for EV and hybrid vehicles.

iii. Aluminum Sheet

On September 16, 2025, fire broke out at the Novelis aluminum mill in Oswego, New York, causing substantial disruptions to the supply of automotive grade aluminum sheet.⁹² Novelis asserts it is the world’s largest supplier of aluminum sheet to the automotive industry, which primarily uses aluminum sheet for light-weight and corrosion-resistant automotive body panels (doors, hoods, roofs, and fenders). The fire severely damaged the facility’s hot mill, where primary aluminum ingots or plates are pressed at a high temperature into aluminum sheet. A second fire broke out at the hot mill on November 20, 2025, significantly disrupting repair efforts and further delaying the restart of the hot mill.

After aluminum is hot rolled, it undergoes further rolling at room temperature (cold rolling) to reduce the aluminum sheet to the required thickness, strength, and surface finish to meet automakers’ desired specifications. The cold mill of the Novelis facility was not affected by the fires and continued to operate. Due to the resulting shortage in the U.S. supply of hot-rolled aluminum sheet, some automakers resorted to importing aluminum sheet (often by air freight) in order to be cold-rolled at Novelis and further processed in the United States, thereby increasing the companies’ tariff and transportation costs.

As of June 10, 2026, Novelis reported that its hot mill facility was back online, though automakers expected that aluminum sheet supply challenges would persist while the facility ramped back up to full capacity.⁹³

⁹¹ *Ibid.*

⁹² Novelis, Oswego, New York, June 10, 2026, available at: <https://novelis.com/oswego/>.

⁹³ *Ibid.*

B. Chinese Investment in Mexico and Global Overcapacity

For the 2024 report, several commenters, including the UAW and the Labor Advisory Committee, expressed concerns with the amount of Chinese foreign direct investment in the automotive sector in Mexico, alleging that such investment is intended to evade Section 232 and Section 301 tariffs on direct imports from China. Both organizations urged the United States to work closely with Canada and Mexico to examine carefully these Chinese investments and to determine whether automotive content entering the North American supply chain is connected to government-supported Chinese enterprises. Adam Hersh, Senior Economist at the Economic Policy Institute, expressed similar concerns at that time, arguing that the concept of “rollup” in calculating the regional value content allows the share of non-North American content to increase “exponentially” as components are transformed up the value chain.⁹⁴

During a February 7, 2024 hearing on USMCA autos, industry representatives commented that it is important for policymakers to be tracking the rapid growth of China’s automotive industry and for the United States, Canada, and Mexico to work together to help ensure the North American automotive industry retains its integrity and high standards.⁹⁵

During the previous administration, on May 14, 2024, the President instructed the Trade Representative to increase the Section 301 *ad valorem* rates of duty on EVs from China from 25 percent to 100 percent. The President also directed that the Trade Representative increase the Section 301 duty on lithium-ion EV batteries to 25 percent in 2024. The President directed the Trade Representative to raise the Section 301 duties to further encourage China to eliminate its acts, policies, and practices at issue in the Section 301 investigation of 2017 and in USTR’s Four-Year Review.⁹⁶

Further, on January 14, 2025, the Department of Commerce issued a final rule restricting the import and sale of certain connected vehicles and related hardware and software associated with China or Russia. Commerce determined that hardware and software posed national security risks. Beginning in Model Year 2027, Commerce will prohibit the sale of connected vehicles by connected vehicle manufacturers owned by, controlled by, or subject to the jurisdiction or direction of China or Russia, and vehicles using their covered software. Beginning in Model Year 2030, Commerce will prohibit the importation of vehicle connectivity system hardware from companies owned by, controlled by, or subject to the jurisdiction of China or Russia.⁹⁷

These actions have largely ensured Chinese vehicles do not currently compete in the U.S. market. Yet, China remains the world’s largest car exporter and Chinese exports are dominating in many auto markets across the globe, putting competitive pressures on the North American automotive industry. China has

⁹⁴ Adam Hersh, Jan. 17, 2024, available at: <https://www.regulations.gov/comment/USTR-2023-0013-0011>.

⁹⁵ Testimony of Matthew Blunt, President, American Automotive Policy Council, February 7, 2024. Transcript available at: <https://www.regulations.gov/document/USTR-2023-0013-0034>.

⁹⁶ Memorandum for the United States Trade Representative, “Actions by the United States Related to the Statutory 4-Year Review of the Section 301 Investigation of China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation” (89 FR 44541), May 14, 2024, available at: <https://www.federalregister.gov/d/2024-11193>.

⁹⁷ Department of Commerce, “Securing the Information and Communications Technology and Services Supply Chain: Connected Vehicles” (90 FR 5360), Jan. 16, 2026, available at: <https://www.federalregister.gov/d/2025-00592>.

factory capacity to produce 55 million cars a year, equivalent to 65 percent of global vehicle demand.⁹⁸ This capacity far exceeds the volume of China’s internal market of around 25 million cars. As a result, Chinese auto exports to Mexico and to other emerging markets are rising exponentially.⁹⁹ In 2024, Chinese vehicles accounted for one-third of the new cars sold in Mexico, up from just 4 percent in 2020, and overtaking the United States as Mexico’s largest auto supplier.¹⁰⁰

C. Canadian Policies Towards U.S. Vehicles and Chinese EVs

On April 9, 2025, Canada imposed a 25 percent retaliatory duty on U.S. autos exported to Canada in response to the application of the U.S. Section 232 tariffs on autos and auto parts. For U.S.-made autos that qualify under the USMCA, the 25 percent duty applies only on the value of the U.S. content of the vehicle.

At the same time, Canada also implemented a framework for automakers building vehicles in Canada to receive a refund (remission) on import duties in order to incentivize production and investment in Canada. Under the framework, auto companies could import a set number of vehicles (a quota, determined on a company-by-company basis) into Canada free of the retaliatory tariff.¹⁰¹ However, on October 23, 2025, the Government of Canada announced it would implement “significant reductions” to the import quotas of General Motors and Stellantis (by 24.2 percent and 50 percent, respectively) in response to their decision to reduce their manufacturing footprints in Canada.¹⁰²

Since Canada’s imposition of the retaliatory duty, U.S. exports of light vehicles to Canada declined by nearly 171,000 vehicles worth \$5.6 billion from April 2025 through March 2026 (latest data available), compared to the same period in 2024-2025.

On January 16, 2026, Canada eliminated its 100 percent additional duty (on top of Canada’s 6.1 percent MFN tariff) on up to 49,000 EVs imported from China as part of a “new strategic partnership.”¹⁰³ Canada had applied the additional 100 percent duty on Chinese EVs since October 2024, to match the 100 percent additional duty the United States applied to Chinese EVs earlier that year. However, under the new Canada-China strategic partnership, Canada will allow 49,000 Chinese EVs into its market at the MFN tariff of 6.1 percent, and any EVs imported in excess of that volume would continue to face the 100 percent additional duty. (The volume set by Canada exceeds the total number of Chinese EVs imported into Canada prior to the imposition of the 100 percent additional duty.) Under this arrangement, the

⁹⁸ Bloomberg News, “Massive Overcapacity Threatens to Prolong China’s Car Price War,” June 18, 2025, available at: <https://www.bloomberg.com/news/articles/2025-06-19/massive-overcapacity-threatens-to-prolong-china-s-car-price-war>.

⁹⁹ Brad Setser, “Will China Take Over the Global Auto Industry?” Dec. 8, 2024, available at: <https://www.cfr.org/articles/will-china-take-over-global-auto-industry>.

¹⁰⁰ Michael Dunne, “High Noon in Mexico,” Nov. 19, 2024, available at: <https://newsletter.dunneinsights.com/p/high-noon-in-mexico>.

¹⁰¹ *Canada Gazette*, “United States Surtax Remission Order (Motor Vehicles 2025): SI/2025-60,” May 7, 2025, available at: <https://gazette.gc.ca/rp-pr/p2/2025-05-07/html/si-tr60-eng.html>.

¹⁰² Department of Finance Canada, “Canada takes decisive action to protect auto industry and workers,” Oct. 23, 2025, available at: <https://www.canada.ca/en/department-finance/news/2025/10/canada-takes-decisive-action-to-protect-auto-industry-and-workers.html>.

¹⁰³ Prime Minister of Canada, “Prime Minister Carney forges new strategic partnership with the People’s Republic of China focused on energy, agri-food, and trade,” Jan. 16, 2026, available at: <https://www.pm.gc.ca/en/news/news-releases/2026/01/16/prime-minister-carney-forges-new-strategic-partnership-peoples>.

volume of Chinese EVs subject to the MFN rate will increase 6.5 percent annually to a maximum of 70,000 vehicles by 2030.

D. U.S. Electric Vehicle Policies

As discussed in the 2024 report, the IRA (P.L. 117-136), enacted on August 16, 2022, provided certain eligible EVs manufactured in North America a consumer tax credit of up to \$7,500 per vehicle. The credit had two components based on a) the sourcing of the vehicle battery's critical minerals; and b) the sourcing of the EV's battery components. The first part consisted of up to \$3,750 in tax credits in the case of a vehicle that met certain requirements relating to sourcing of critical minerals. The law required that the EV's batteries contain a certain percentage (by value) of critical minerals that were (i) extracted or processed in the United States, or in any country with which the United States has a free trade agreement in effect, or (ii) recycled in North America. The second part of the tax credit consisted of \$3,750 in the case of a vehicle that met the required threshold of the EV's battery components that were manufactured or assembled in North America.

In 2024 industry commented that, in some ways, the IRA "eclipsed" the USMCA as the primary incentive to boost U.S. and North American investment in EV supply chains and was driving companies to announce new investments or to accelerate planned announcements.¹⁰⁴ However, industry also highlighted that the IRA's incentives only partially captured the USMCA-qualifying production activities that may take place in North America and cautioned USTR that the IRA and other U.S. investment legislation are "simply not a substitute for full implementation of the USMCA as written and agreed by all three Parties."¹⁰⁵

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (P.L. 119-21) into law. This act accelerated the end of clean vehicle tax credits by prohibiting credits for any vehicle acquired after September 30, 2025.

8. Other Automotive Issues Under the USMCA

In a side letter to the USMCA,¹⁰⁶ Mexico affirmed that its domestic motor vehicle safety standards, NOM-194-SCFI-2015, incorporated U.S. Federal Motor Vehicle Safety Standards (FMVSS). Further, Mexico committed to continued recognition and acceptance of U.S. FMVSS as satisfying the relevant specifications for essential safety devices set forth under NOM-194-SCFI-2015 or any amendment or successor instruments to that standard.

In September 2021, Mexico notified to the World Trade Organization its draft Official Mexican Standard PROY-NOM-194-SE-2021, which would establish new safety standards for new light-duty vehicles and would replace NOM-194-SCFI-2015. The U.S. Government and industry provided comments on the draft regulation to Mexico in November 2021, which included concerns with certain voluntary standards

¹⁰⁴ AAPC, *op. cit.*

¹⁰⁵ Autos Drive America, *op. cit.*

¹⁰⁶ MX-US Side Letter on Auto Safety Standards, available at: https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/MX-US_Side_Letter_on_Auto_Safety_Standards.pdf.

introduced in the measure and expressing support for Mexico continuing to accept self-certification with U.S. FMVSS. The United States also raised questions about the measure in several bilateral meetings with Mexico in 2021. In accordance with transparency provisions of the USMCA Chapter on Technical Barriers to Trade, U.S. Government representatives participated in a Mexican working group reviewing the draft vehicle safety regulations. The working group concluded its work in late 2021, and Mexico published the final rule on October 3, 2022, which addressed the concerns raised by the U.S. Government and by industry. The updated standards took effect January 1, 2026.

The U.S. Government also initiated conversations with Mexico in 2022 on the implementation of its standard PROY-NOM-014-SCT-2-2019, which regulates rear underride guards for conventional buses and unit truck-type vehicles over 4,536 kg. U.S. industry has indicated that the Mexican standard diverges from the standard applied in the United States and Canada and could pose a barrier to U.S. truck exports. The United States continues to monitor and engage with Mexico on the implementation of this standard.

On February 14, 2024, Mexico's Energy Regulatory Commission (CRE) published a proposed measure related to charging infrastructure for electric and hybrid vehicles. The proposed measure was published on the website of Mexico's National Commission for Regulatory Improvement (CONAMER) and would have imposed Mexico-specific requirements on EV chargers and infrastructure without alignment to U.S. standards. On March 12, 2024, the United States submitted comments on the proposed measure to CONAMER. The United States also helped to facilitate regular engagement between U.S. government and industry experts and Mexican authorities. On September 10, 2024, CRE published a revised regulation that removed the most burdensome requirements as identified by U.S. industry.

In 2025, automakers urged USTR to seek a commitment from Canada and Mexico to adopt the North American Charging System (NACS) (also known as Society of Automotive Engineers J3400 standard) for EV connectors.¹⁰⁷ Tesla first developed NACS as an open standard in 2022 and, soon after, many U.S. automakers announced plans to adopt NACS. Industry argues that adoption of NACS across North America as the single standard for light-duty vehicles would further support the integrated North American market and promote cross-border trade and travel.¹⁰⁸

9. Effectiveness and Relevance of the USMCA Rules of Origin in Light of New Technologies and Production Processes

Although the USMCA's automotive ROOs have been successful at deepening regional integration and attracting new investments to North America, there is a compelling case for going further, considering supply chain challenges and increased competition from Asia. Modifying the ROOs could incentivize automakers to maintain and further deepen that regional integration. Modifying or tightening the content requirements would accelerate the reshoring of critical inputs—from steel and aluminum to semiconductors and key electrical components—supporting well-paying manufacturing jobs and bolstering the security and resilience of the North American automotive supply chain. As previously discussed, supply chain challenges involving small-yet-important components such as semiconductors or

¹⁰⁷ Tesla, Nov. 3, 2025, available at: <https://comments.ustr.gov/s/commentdetails?rid=J33BC3R4V8>.

¹⁰⁸ *Ibid.*

permanent magnets have exposed the threats that over-reliance on distant suppliers poses to the entire North American automotive industry. Anchoring more of the automotive supply chain within North America is both an economic and national security imperative.

In public comments to USTR, several stakeholders advocated for increased regional content rules. For example, powersports manufacturers Polaris Inc., and Kawasaki Motors Manufacturing Corp., USA, both suggested that the RVC on “other vehicles,” such as ATVs or side-by-side vehicles, be increased to further support U.S. production and growth in this industry.¹⁰⁹ Other stakeholders noted that advancing a “Fortress USMCA” approach would “position North America as a resilient global hub for high-value manufacturing.”¹¹⁰

One of the most pressing vulnerabilities in today’s North American automotive supply chain is the deep reliance on non-market economy or third-country electronic components and other content, such as semiconductors, circuit boards, and displays. The significant dependence on these inputs, especially in newer and emerging technologies such as electric and autonomous vehicles, poses strategic and economic risks for North American manufacturers and workers. Modification of the USMCA automotive ROOs to discourage or expressly limit reliance on third countries for these key components would help to reduce vulnerabilities by encouraging the localization of these components in North America.

In a May 2026 letter to Ambassador Greer, the U.S. automotive industry argued that the USMCA is “a strategic asset in addressing the growing competitive pressures posed by non-market economies.” Further, the industry argued that the USMCA provides the “most effective platform for coordinating economic national and economic security policies, optimizing resilient regional supply chains, and ensuring that North America remains a reliable and secure production base for advanced automotive technologies.”¹¹¹

With regard to specific proposals to enhance economic security and supply chain resilience, EV producers recently suggested that the USMCA’s core parts list be modified “to better represent the North American value of advance, software-defined vehicles and the electric drive units that move them.”¹¹² On electric drive units specifically, the Zero Emission Transportation Association noted that identifying these drive units in the ROOs “would encourage further U.S. innovation and manufacturing in the automotive industry and beyond.”¹¹³

At the same time, it is important to acknowledge that the complexity of the USMCA automotive ROOs can pose significant burdens on manufacturers, particularly smaller suppliers. Producers and suppliers have suggested that streamlining certification procedures and reporting requirements can facilitate greater utilization of USMCA preferences, while reducing costs and administrative burdens for producers and

¹⁰⁹ Polaris, Inc., Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=JVWTPQV249>. Kawasaki Motors Manufacturing Corp., USA, Jan. 5, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=2RX2CJR897>.

¹¹⁰ Clear Arrow International Policy Advisory, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=69JDQQRBB9>.

¹¹¹ Auto Industry Letter on USMCA, May 7, 2026, available at: <https://www.autosinnovate.org/association-update/Industry%20Letter%20to%20Amb.%20Greer%205.7.26.pdf>.

¹¹² Rivian, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=Q4T6TFXF4H>.

¹¹³ Zero Emission Transportation Association, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=7P47DTKJB2>.

suppliers alike—ultimately serving the USMCA’s goal of ensuring that the benefits of North American trade flow to U.S. and North American workers and manufacturers.

Finally, most automakers and suppliers alike urged USTR to consult closely with industry on any potential changes to the USMCA ROOs and to consider phasing-in changes in a manner that would reflect realistic transition periods.¹¹⁴ As the AAPC explained, such consultations help to provide greater certainty for the industry, which places a premium on transparency and predictability when making long-term vehicle sourcing and capital investment decisions.¹¹⁵

10. Conclusions

The USMCA continues to have significant positive economic impacts on the U.S. and North American auto industry. Automakers and parts suppliers have invested billions of dollars in new North American production, and the USITC has estimated that the automotive ROOs have had a positive impact on U.S. employment and wages. U.S. Government agencies continue to enforce the ROOs to help ensure the benefits of the USMCA accrue to an integrated North America automotive supply chain.

Despite the increased integration throughout the North American automotive supply chain, recent external factors such as disruptions to the legacy semiconductor, critical mineral, and permanent magnet supply chains have highlighted continued dependence on third-country sources for key inputs. Further, those disruptions have highlighted the risks that such continued dependence—combined with China’s excess capacity in the automotive sector—poses to the U.S. and North American automotive industry. In response to those challenges, the United States will examine the USMCA automotive ROOs more carefully to identify opportunities where modifications to the ROOs can incentivize increased U.S. and North American production and jobs, promote a more resilient supply chain, and decrease over-dependence on third countries.

USTR and the Interagency Autos Committee will continue to consult and work closely with stakeholders to identify additional opportunities to promote the competitiveness of the North American automotive industry and its workers through the USMCA. USTR will work with auto producers and suppliers to ensure the USMCA ROOs remain effective and relevant considering the ongoing EV transition and the development of new automotive technologies. At the same time, USTR will work with labor and other stakeholders to foster transparency regarding the enforcement of the ROOs and to seek solutions that reduce uncertainty and alleviate administrative burdens on suppliers.

¹¹⁴ Autos Drive America, Jan. 7, 2026, available at: <https://comments.ustr.gov/s/commentdetails?rid=C77664RDF7>.

¹¹⁵ AAPC, *op. cit.*

Appendix 1 – U.S. Trade of Autos and Auto Parts with Canada, Mexico, and the World,
2019–2025

*U.S. Imports of Autos and Auto Parts
(Billions of U.S. Dollars and Percent)*

Passenger Vehicles and Light Trucks Imports							
Source	2019	2020	2021	2022	2023	2024	2025
Canada	39.25	29.14	25.15	28.51	38.66	31.86	28.30
Mexico	59.52	49.05	53.25	58.62	70.03	77.95	67.21
USMCA Total	98.77	78.19	78.39	87.13	108.69	109.82	95.52
<i>USMCA's Share of World (%)</i>	<i>47.8</i>	<i>46.4</i>	<i>44.6</i>	<i>43.9</i>	<i>44.2</i>	<i>43.0</i>	<i>45.6</i>
All Others	107.66	90.26	97.43	111.53	137.43	145.77	114.16
World Total	206.44	168.44	175.82	198.66	246.11	255.59	209.68

Heavy Trucks Imports							
Source	2019	2020	2021	2022	2023	2024	2025
Canada	1.65	1.13	1.09	1.15	2.19	3.37	2.28
Mexico	3.87	2.89	3.32	15.68	17.68	17.43	17.44
USMCA Total	5.52	4.02	4.41	16.83	19.87	20.80	19.72
<i>USMCA's Share of World (%)</i>	<i>86.9</i>	<i>90.8</i>	<i>88.3</i>	<i>95.4</i>	<i>95.4</i>	<i>96.3</i>	<i>97.8</i>
All Others	0.83	0.41	0.58	0.81	0.95	0.79	0.43
World Total	6.35	4.43	4.99	17.63	20.81	21.59	20.15

Auto Parts Imports							
Source	2019	2020	2021	2022	2023	2024	2025
Canada	16.75	13.94	16.29	18.31	19.68	19.43	19.50
Mexico	59.31	50.18	58.31	67.79	76.22	79.98	79.30
USMCA Total	76.06	64.11	74.60	86.11	95.90	99.40	98.80
<i>USMCA's Share of World (%)</i>	<i>51.4</i>	<i>51.9</i>	<i>49.6</i>	<i>49.0</i>	<i>52.3</i>	<i>53.0</i>	<i>53.7</i>
All Others	71.77	59.53	75.91	89.54	87.37	88.03	85.24
World Total	147.83	123.64	150.51	175.65	183.26	187.43	184.05

Source: USITC Dataweb/Census, imports for consumption, passenger vehicles and light trucks, accessed February 23, 2026.
Note: The list of subheadings for these product groupings can be found in Table F.1 (passenger vehicles and light trucks), Table F.2 (heavy trucks), and Table F.3 (auto parts) of USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operations, 2025 Report*, July 2025. Available at: <https://www.usitc.gov/publications/332/pub5642.pdf>.

*U.S. Exports of Autos and Auto Parts
(Billions of U.S. Dollars and Percent)*

Passenger Vehicles and Light Trucks Exports							
Market	2019	2020	2021	2022	2023	2024	2025
Canada	24.46	19.01	24.41	28.86	26.22	24.98	18.82
Mexico	3.20	2.14	3.01	3.77	4.95	5.49	4.40
USMCA Total	27.66	21.16	27.42	32.63	31.17	30.46	23.22
<i>USMCA's Share of World (%)</i>	<i>41.7</i>	<i>38.7</i>	<i>41.6</i>	<i>45.8</i>	<i>41.6</i>	<i>43.7</i>	<i>38.7</i>
All Others	38.62	33.45	38.55	38.67	43.82	39.30	36.79
World Total	66.27	54.60	65.97	71.30	74.98	69.77	60.01

Heavy Trucks Exports							
Market	2019	2020	2021	2022	2023	2024	2025
Canada	2.49	2.08	2.51	5.56	7.11	7.58	5.49
Mexico	0.176	0.117	0.140	0.294	0.633	1.13	0.77
USMCA Total	2.66	2.20	2.65	5.86	7.74	8.71	6.26
<i>USMCA's Share of World (%)</i>	<i>87.9</i>	<i>88.4</i>	<i>88.9</i>	<i>93.1</i>	<i>92.3</i>	<i>91.0</i>	<i>90.9</i>
All Others	0.367	0.287	0.331	0.431	0.646	0.864	0.62
World Total	3.03	2.49	2.98	6.29	8.39	9.57	6.89

Auto Parts Exports							
Market	2019	2020	2021	2022	2023	2024	2025
Canada	25.30	18.94	18.63	22.36	27.77	27.20	25.41
Mexico	27.45	21.16	24.58	27.90	30.68	30.58	27.22
USMCA Total	52.75	40.10	43.21	50.26	58.45	57.77	52.64
<i>USMCA's Share of World (%)</i>	<i>72.3</i>	<i>69.1</i>	<i>69.9</i>	<i>72.9</i>	<i>75.0</i>	<i>73.8</i>	<i>73.0</i>
All Others	20.2	17.94	18.63	19.60	20.63	20.54	19.45
World Total	72.97	58.04	61.84	69.86	79.08	78.31	72.09

Source: USITC Dataweb/Census, imports for consumption, passenger vehicles and light trucks, accessed February 23, 2026.

Note: The list of HTSUS subheadings for these product groupings can be found in Table F.1 (passenger vehicles and light trucks), Table F.2 (heavy trucks), and Table F.3 (auto parts) of USITC, *USMCA Automotive Rules of Origin: Economic Impact and Operations, 2025 Report*, July 2025. Available at: <https://www.usitc.gov/publications/332/pub5642.pdf>.

Appendix 2 – Verification of Claims for Preferential Treatment Under the USMCA for Auto Parts, Auto Components, and Used Vehicles, 2021–2025

Year / HTSUS Heading	Verifications Completed	Negative Determinations	Compliant Determinations	Total Value of Imports Subject to Verification
2021	43	4	39	\$1,873,097
8703	1			\$18,660
8704	20			\$532,199
8708	21			\$1,230,994
8716	1			\$91,244
2022	98	53	45	\$1,867,575
3926	8			\$45,309
8701	10			\$576,850
8703	13			\$416,830
8708	39			\$526,898
8716	28			\$301,688
2023	377	92	285	\$30,622,134
8302	4			\$42,576
8407	2			\$549,678
8501	3			\$3,091,611
8701	4			\$423,634
8703	19			\$1,754,916
8704	155			\$8,282,905
8705	2			\$1,229,600
8707	5			\$1,002,345
8708	124			\$11,493,934
8714	2			\$1,864
8716	57			\$2,760,281
2024	182	29	153	\$25,526,319
8704	3			\$512,400
8705	1			\$432,834
8707	6			\$573,126
8708	156			\$20,273,761
8713	1			\$750
8714	2			\$32,646
8716	13			\$3,700,802
2025	261	52	209	\$30,291,777
8701	1			\$643,448
8703	7			\$296,703
8704	18			\$2,175,650
8705	2			\$5,279,000
8707	3			\$143,248
8708	196			\$18,744,808
8711	2			\$26,370
8712	1			\$8,114
8713	1			\$7,910
8714	2			\$174,806
8716	28			2,791,720
<i>Grand Total</i>	<i>961</i>	<i>230</i>	<i>731</i>	<i>\$90,191,902</i>

Source: U.S. Customs and Border Protection

Appendix 3 – Automaker and Supplier Announced Investments in North America, 2018–2025
(Billions of U.S. Dollars)

		Automakers			Suppliers			Total
		Electrification	Other (non-EV)	Automaker Total	Electrification	Other (non-EV)	Supplier Total	
Canada	2018	1.08	-	1.08	0.27	1.66	1.93	3.01
	2019	-	0.48	0.48	0.03	0.14	0.17	0.65
	2020	1.2	1.26	2.46	-	-	-	2.46
	2021	0.93	-	0.93	0.19	-	0.19	1.12
	2022	5.58	1.02	6.6	4.14	0.03	4.17	10.77
	2023	7.79	0.22	8.01	2.68	0.11	2.79	10.8
	2024	11	2.3	13.3	1.41	0.51	1.92	15.22
	2025	-	-	-	2.79	0.01	2.8	2.8
Canada Total		27.58	5.28	32.86	11.5	2.47	13.97	46.83
Mexico	2018	0.42	0.23	0.65	0.08	0.9	0.98	1.63
	2019	-	-	-	-	0.59	0.59	0.59
	2020	-	0.3	0.3	0.01	0.67	0.68	0.98
	2021	1	0.26	1.26	0.04	1.24	1.29	2.55
	2022	0.27	0.41	0.68	1.25	1.5	2.75	3.42
	2023	11.68	0.01	11.69	1.75	14.4	16.14	27.84
	2024	4.63	2.78	7.41	1.37	6.79	8.16	15.57
	2025	-	0.23	0.23	0.31	2.02	2.33	2.56
Mexico Total		18	4.22	22.22	4.81	28.09	32.9	55.12
USA	2018	0.93	1.83	2.76	2.07	8.91	10.98	13.74
	2019	14.1	7.33	21.44	0.23	6.19	6.41	27.85
	2020	4.27	1.31	5.58	1.27	4.11	5.38	10.96
	2021	19.27	4.24	23.5	4.57	1.79	6.36	29.86
	2022	37.3	2	39.31	42.44	9.57	52.01	91.31
	2023	45.45	9.64	55.09	28.18	2.9	31.08	86.17
	2024	7.59	1.54	9.13	19.24	3.68	22.92	32.05
	2025	16.03	27.35	43.38	4.04	7.14	11.18	54.56
USA Total		144.94	55.25	200.19	102.03	44.29	146.33	346.51
Grand Total		190.52	64.75	255.27	118.34	74.86	193.2	448.47

Source: Center for Automotive Research, Book of Deals



Total Estimated Annual Responses: 5,000.
Total Estimated Annual Hour Burden: 3,875 hours.

Alethea Ten Eyck-Sanders,
Interim Agency Clearance Officer.
[FR Doc. 2025-22013 Filed 12-4-25; 8:45 am]
BILLING CODE 8026-09-P

DEPARTMENT OF STATE

[Public Notice: 12875]

Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: “New Humans: Memories of the Future” Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to agreements with their foreign owners or custodians for temporary display in the exhibition “New Humans: Memories of the Future” at The New Museum of Contemporary Art, New York, New York, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/DP, 2200 C Street NW (SA-5), Suite 5H03, Washington, DC 20522-0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, et seq.; 22 U.S.C. 6501 note, et seq.), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000, and Delegation of Authority No. 523 of December 22, 2021.

Stefanie E. Williams,
Deputy Assistant Secretary for Professional and Cultural Exchanges, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2025-21996 Filed 12-4-25; 8:45 am]
BILLING CODE 4710-05-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
[Docket Number USTR-2025-0307]

Request for Comments Concerning the Operation of the United States-Mexico-Canada Agreement With Respect To Trade in Automotive Goods

AGENCY: Office of the United States Trade Representative (USTR).
ACTION: Request for comments.

SUMMARY: The U.S. Trade Representative must conduct a review of trade in automotive goods under the United States-Mexico-Canada Agreement (USMCA) and submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives no later than July 1, 2026. USTR invites comments concerning the operation of the USMCA with respect to automotive goods, including the implementation and enforcement of the USMCA rules of origin for automotive goods, as well as whether the automotive provisions of the USMCA are effective in light of technological and production advances.

DATES: January 7, 2026 at 11:59pm EST: Deadline for submission of written comments.

ADDRESSES: USTR strongly prefers electronic submissions made through the online USTR portal: <https://comments.ustr.gov/s/>. Follow the instructions for submitting written comments in Parts III and IV below, using docket number USTR-2025-0307.

FOR FURTHER INFORMATION CONTACT: Justin Hoffmann, Deputy Assistant U.S. Trade Representative for Market Access and Industrial Competitiveness at (202) 395-2990 or Justin.D.Hoffmann@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. USMCA Background

On January 29, 2020, the President signed into law the USMCA Implementation Act (Pub. L. 116-113), which implements the USMCA between the United States, the United Mexican States, and Canada attached as an Annex to the Protocol Replacing the North American Free Trade Agreement. The USMCA entered into force on July 1, 2020.

The USMCA includes new rules of origin to claim preferential treatment for automotive goods, including higher Regional Value Content (RVC) thresholds, mandatory requirements to produce core parts in the region, mandatory steel and aluminum purchasing requirements, and a Labor

Value Content (LVC) requirement. The USMCA allows vehicle producers to request an alternative staging regime for these requirements that would permit a longer period of transition to help ensure that future production is able to meet the new rules. The standard staging regime is specified under the Automotive Appendix to Chapter 4 of the USMCA, with the exception of Article 8, which specifies provisions relating to the alternative staging regime.

The USMCA Implementation Act and Executive Order 13908 established the Interagency Committee on Trade in Automotive Goods (Committee) to advise the President and the U.S. Trade Representative on the implementation, enforcement and modification of the USMCA provisions related to automotive goods. In addition, the Committee reviews the operation of the USMCA with respect to trade in automotive goods, including the economic effects of the USMCA automotive rules of origin on the U.S. economy, workers and consumers, and the impact of new technology on such rules.

II. Report to Congress

Section 202A(g) of the USMCA Implementation Act requires the U.S. Trade Representative, in consultation with the Committee, to conduct a biennial review of the operation of the USMCA with respect to trade in automotive goods, including:

(a) To the extent practicable, a summary of actions taken by producers to demonstrate compliance with the automotive rules of origin, use of the alternative staging regime, enforcement of such rules of origin, and other relevant matters.

(b) Whether the automotive rules of origin are effective and relevant in light of new technology and changes in content, production processes and character of automotive goods.

USTR submitted its first and second reports to Congress on June 30, 2022 and July 1, 2024. No later than July 1, 2026, USTR will submit the results of the third biennial review to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and post a public version of the report to its website at <https://www.ustr.gov>. The 2022 and 2024 reports are available on USTR’s website at <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/biennial-reports-congress-operation-united-states-mexico-canada-agreement-usmca-respect-trade>.

III. Request for Public Input

In accordance with the USMCA Implementation Act, USTR and the Committee seek views from producers of automotive goods, labor organizations and other interested parties regarding:

1. The overall operation of the USMCA with respect to automotive goods.
2. Actions taken by automotive and parts producers to demonstrate compliance with the USMCA automotive rules of origin, including:
 - a. The applicable RVC requirements for passenger vehicles, light trucks, heavy trucks, other vehicles, and parts thereof.
 - b. The North American steel and aluminum purchase requirements.
 - c. The LVC requirements.
3. The use of alternative staging regimes by vehicle producers to meet the USMCA automotive rules of origin.
4. Enforcement of the USMCA automotive rules of origin, including the alternative staging regimes and the automotive certification process for steel and aluminum content, LVC, and RVC.
5. Whether the current USMCA automotive rules of origin are effective and relevant in light of new technology and changes in the content, production processes, and character of automotive goods.
6. Any other topics relevant to the trade in automotive goods under the USMCA.¹

V. Procedures for Written Submissions

To be assured of consideration, submit written comments using the appropriate docket (USTR–2025–0307) on the portal at <https://comments.ustr.gov/s/> and as detailed in Part III. All submissions must be in English. You do not need to establish an account to submit comments. The first screen allows you to enter identification and contact information. Third party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent and identify the primary point of contact for the submission. USTR may not consider a comment if insufficient information is provided.

You may upload documents and indicate whether USTR should treat the

¹With respect to any input recently provided to USTR in response to the September 17, 2025, *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* (90 FR 44869, September 17, 2025, Docket Number USTR–2025–0004), that you wish USTR and the Committee to consider for purposes of this report, please provide the relevant submission ID number along with any cross-references to that input.

documents as business confidential or public information. Any page containing business confidential information (BCI) must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If requesting confidential treatment, you must certify in writing that the information would not customarily be released to the public. Interested persons uploading attachments containing BCI also must submit a public version of their comments.

Sushan Demirjian,

Assistant U.S. Trade Representative for Small Business, Market Access, and Industrial Competitiveness, Office of the United States Trade Representative.

[FR Doc. 2025–22105 Filed 12–4–25; 8:45 am]

BILLING CODE 3390–F4–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Notice of Intent To Rule on a Land Release Request at Malden Regional Airport & Industrial Park (MAW), Malden, MO

AGENCY: Federal Aviation Administration (FAA), Department of Transportation.

ACTION: Notice of request to release airport land.

SUMMARY: The FAA proposes to rule and invites public comment on the request to release and sell a 0.52-acre parcel of federally obligated airport property at the Malden Regional Airport & Industrial Park (MAW), Malden, Missouri.

DATES: Comments must be received on or before January 5, 2026.

ADDRESSES: Comments on this application may be mailed or delivered to the FAA at the following address: Amy J. Walter, Airports Land Specialist, Federal Aviation Administration, Airports Division, ACE–620G, 901 Locust, Room 364, Kansas City, MO 64106.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to: David Blalock, Airport Manager, City of Malden Regional Airport & Industrial Park, 3077 Mitchell Drive, P.O. Box 411, Malden, MO 63863–0411, (573) 276–2279.

FOR FURTHER INFORMATION CONTACT: Amy J. Walter, Airports Land Specialist, Federal Aviation Administration,

Airports Division, ACE–620G, 901 Locust, Room 364, Kansas City, MO 64106, (816) 329–2603, amy.walter@faa.gov. The request to release property may be reviewed, by appointment, in person at this same location.

SUPPLEMENTARY INFORMATION: The FAA invites public comment on the request to release a 0.52-acre parcel of airport property at the Malden Regional Airport & Industrial Park (MAW) under the provisions of 49 U.S.C. 47107(h)(2). This is a Surplus Property Airport. The City of Malden requested a release from the FAA to sell the parcel to the current tenant, Lion of Judah. The FAA determined this request to release and sell property at the Malden Regional Airport & Industrial Park (MAW) submitted by the Sponsor meets the procedural requirements of the FAA and the release and sale of the property does not and will not impact future aviation needs at the airport. The FAA may approve the request, in whole or in part, no sooner than thirty days after the publication of this notice.

The following is a brief overview of the request:

The Malden Regional Airport & Industrial Park (MAW) is proposing the release and sale of a parcel of airport property containing 0.52 acres. The release of land is necessary to comply with Federal Aviation Administration Grant Assurances that do not allow federally acquired airport property to be used for non-aviation purposes. The sale of the subject property will result in the land at the Malden Regional Airport & Industrial Park (M) being changed from aeronautical to non-aeronautical use and release the lands from the conditions of the Airport Improvement Program Grant Agreement Grant Assurances in order to sell the land. In accordance with 49 U.S.C. 47107(c)(2)(B)(i) and (iii), the airport will receive fair market value for the property, which will be subsequently reinvested in another eligible airport improvement project for general aviation use.

Any person may inspect, by appointment, the request in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT**. In addition, any person may request an appointment to inspect the application, notice and other documents determined by the FAA to be related to the application in person at the Malden City Hall.

Appendix 5 – Interested Parties that Provided Input

This appendix contains the names of interested parties that filed written submissions in response to USTR’s request for input. A copy of each written submission is available via the online docket (USTR-2025-0307), available at: <https://comments.ustr.gov/s/docket?docketNumber=USTR-2025-0307>.

- ABC Bus Companies, Inc.
- AISIN World Corp. of America
- Aluminum Association of Canada
- Aluminum Extruders Council
- American Automotive Policy Council
- American Furukawa, Inc.
- American Honda Motor Co., Inc.
- American Iron and Steel Institute
- AMIA (Mexican Association of the Automotive Industry)
- ANPACT
- Aptiv
- Automotive Parts Manufacturers' Association (APMA)
- Autos Drive America
- Clear Arrow International Policy Advisory
- Coalition for a Prosperous America (CPA)
- CPAC Foundation Center for Regulatory Freedom
- Daimler Truck North America LLC
- DENSO International America, Inc.
- Ford Motor Company
- General Motors
- Industria Nacional de Autopartes (INA)
- Industrial Fasteners Institute
- International Motor Vehicle Trade Association
- International Motors, LLC
- Kawasaki Motors Manufacturing Corp., U.S.A.
- Lear Corporation
- LG Electronics
- LKQ Corporation
- Lucid Group, Inc.
- MEMA. The Vehicle Suppliers Association
- Metalsa
- National Automobile Dealers Association
- Nissan North America
- North American Lighting
- PACCAR Inc
- Polaris Industries Inc.
- Rivian Automotive
- SAFE
- Steel Manufacturers Association
- Sturzaam LLC
- TAKA
- The Aluminum Association
- Toyota Motor North America
- Toyota Tsusho America, Inc.
- U.S. Tire Manufacturers Association
- United Auto Workers (UAW)
- Voda IQ
- Volkswagen Group of America, Inc.
- Western Extrusions
- Zero Emission Transportation Association