American University School of International Service

UNLOCKING THE POTENTIAL OF THE UNITED STATES-MEXICO-CANADA AGREEMENT

Project Supervisor: Earl Anthony Wayne (Ret. Amb.)

Student Researchers: Gabriel Cabanas, Samantha Diaz, Lauren Ferrier, Mona Ghalbi, Sophia Hart, and Jeremy Robinson

Table of Contents

Executive Summary

The United-States-Mexico-Canada Agreement (USMCA) is a modern 21st century agreement that should serve as an instrument to fuel economic growth, support export jobs and strengthen bilateral and trilateral relations with the United States' two largest neighbors. This three-way collaboration in USMCA can help to ensure that the continent's trade relationships build healthier and stronger prosperity for all three countries in the years ahead.[i]

Specifically, the research team identified **digital trade, energy, small and medium-sized enterprises (SMEs), labor, competitiveness and good regulatory practices** as very important areas within USMCA due to their expected or potential impact on the region's economies and the competitiveness of the United States, Mexico and Canada against other economic powerhouses.

One area, **supply chains**, is not specifically addressed in USMCA, but the pandemic has made clear how important supply chains are across North America and globally. The USMCA framework and consultative committees can and should be used to help make North America's supply chains more resilient, diversified and reliable.

The team also recognizes that **agriculture, rules of origin, environment and anti-corruption** are significant sectors for trilateral and bilateral relations and policy priorities and should be accorded focused attention. Agriculture and related topics particularly can generate difficult disputes, thus demanding focused efforts to find solutions to problems and to build a broader win-win framework which can contribute to resolving particular problems. Rules of origin in the vehicles sector will be challenging to implement and their effects on the evolution of this key sector will need to be monitored.

For each of these areas, the team offers a review of the current provisions, a justification for any suggested change, and recommendations specific to the sector or topic. In the case that the team does not have a recommendation for a chapter or sector, the study still highlights the potential and challenges.

The team recognizes that USMCA promotes important certainty and transparency for farmers, businesspersons, and consumers through a range of provisions, including on the environment, agriculture, energy, labor, intellectual property, digital trade, and rules of origin (ROO) within the automotive manufacturing industry and notably with the provisions for review in six years and at least sixteen years of existence.

While this new legal framework offers a solid foundation to build from, it will only reach its full potential through the effective implementation of long-term cooperation activities that focus on the following **four themes** at the top of the trilateral agenda:

1. **Restoring Confidence and Building Certainty and Resilience.**
2. **Effective Trilateral Coordination to Advance Competitiveness.**
3. **Moving toward Harmonization of Cross-Border Practices and Regulations.**
4. **Expanded Stakeholder Involvement.**

Based on these themes, the team offers these **top recommendations for the selected priority areas** that build on the current provisions to promote competitiveness and enhanced regional integration. While other recommendations are also highlighted throughout the report, the team concluded that these are the most important for all three regional economies:

1. **Agriculture:** *New Mexican Organic Export Certification regulations are being imposed too fast. Thus, USTR, USDA, and the U.S. Department of State should ask for more time to allow American Organic exporters to comply with new regulations. The parties should urge Mexico to clearly define what is banned under its new corn GMO ban, as well as to resume its process of reviewing new biotechnologies. North American should recognize the need to expand USDA's Joint Organic Compliance Committee to include other agricultural issues to expand continuing inter-agency dialogues. The U.S. should work to find constructive ways forward on issues of high importance to Mexico such as tomatoes.*
2. **Rules of Origin (RoO):** *The shift in the rules of origin for auto manufacturing will affect competitiveness within North America. Automation and greater assistance for alternative staging regimes will help keep increased prices in check and thus can help ensure continued competitiveness in North America. Assisting the electric auto industry will bring the benefit of strengthening an environmentally conscious or "greening" industry within North America while furthering the auto industry as a whole, such as through increased domestic battery and critical mineral production. Properly enforcing the labor value content within North America will dramatically increase wages in the region, mainly through increased Mexican wages. But attention must be paid to the challenges of accurate RoO use and to the impact of these rules as new technologies, like electric vehicles, emerge. Regular dialogue with stakeholders including unions will be needed.*
3. **Energy:** *Steps are needed to re-build consensus among the three governments. A return to regular trilateral meetings of North America's energy ministers to stimulate cooperation on climate change, sustainable development, energy efficiency, emission reductions, renewable integration, and grid integration could help do that. The U.S.-Mexico Energy Business Council also should be reinvigorated, with a renewed focus not just on hydrocarbons but also on renewable energy. Furthermore, North American countries have a mutually beneficial opportunity to work together on a plan for the electrification of the regional vehicle fleet, both for passenger and freight vehicles. These efforts to build cooperation should be pursued while parties use the appropriate portions of USMCA to address disputes that appear likely to arise.*
4. **Digital Trade:** *It is essential that continued dialogue works towards synchronizing national digital policies. Within these dialogues, experts recommend emerging digital issues such as transparency and security regarding data and information sharing. This Chapter sets the standard and precedence for digital governance and privacy laws for future trade agreements. It is also important for dialogues to discuss emerging trends and issues that occur in the industry to further strengthen promises made in the agreement and to adapt to keep up with emerging trends and products.*
5. **Labor:** *Mexico's labor reforms have the potential to benefit workers across North America. The U.S. can be instrumental in helping to move forward these reforms by using technical assistance. Given the self-imposed budget constraints within the Mexican government, external funding and technical support is needed. Working with Mexican partners, the U.S. can also help prioritize specific states within Mexico for their staggered labor reform implementation. By reshuffling states, labor reform can first come to states that are priority areas to North American trade and can be enacted in other states in later years. Promoting the use of the rapid*

response mechanism for egregious cases of poor labor policy would also help to push labor reform further, if used judiciously.

6. S**MEs:** *The Committee for Small and Medium-sized Enterprises has the opportunity to increase the sentiment in favor of trade across a wide range of stakeholders in North America. The three governments should work toward eliminating the knowledge and skills gap that SMEs commonly face in comparison to Multinational Enterprises regarding cross border trade. Exchanging skills training, information, and emerging market trends are three ways the U.S., Canada, and Mexico can increase engagement with stakeholders in all three countries.*
7. **Competitiveness:** *The three governments must recognize the need to institutionalize trilateral cooperation and dialogues in the various fora created in USMCA, but especially in the new Competitiveness Council. This later forum should be used to identify and begin work on the issues that will be essential for all three economies to compete successfully in the future. Ideas for potential action include a task force to facilitate a North American workforce development agenda to help develop agile workers that meet the technology-based demands of the 21st century labor market; a trilateral forum to identify ways to promote sustainable development and green energy technologies (e.g., electric vehicles); and a working group to steer a broad, forward looking supply chain initiative. This group should agree on ways to inform customers of the supply chain process, address the cost of decoupling with China, and improve supply chain resilience amid the pandemic. Each country should encourage the use of what is being called "ally-shoring, or "partner-shoring," to protect and optimize essential supply chains, invest in domestic jobs, and advance North American technology and innovation.*
8. **Environment:** *The three governments should work to agree on new standards to adhere to the commitments of the Paris Climate Agreement and include the United Nations' (UN) Paris Climate Agreement to the list of those to which each party must commit. USMCA implementation should thus include work to ensure that each party is staying committed to the goals and provisions in the Paris Climate Agreement. The parties should explore how to make North America's economies "greener." This could include provisions for review of green performance of companies and public entities in all three countries.*
9. **Good Regulatory Practices (GRPs):** *Each party should work on confidence building and strengthening trilateral relations in the wide range of areas where regulation is particularly important to commerce across the continent. Bringing regulators together for collaborative dialogues and improved harmonization on current priorities (e.g., automotive industry) or emerging issues will be important (e.g., biotechnology industry or artificial intelligence) in comparison to re-writing rules and issues where positions are fixed in stone. They should utilize key advisory coordination to bring in a wide range of stakeholders including public health experts and other working groups/committees together at roundtables in the GRP Committee with the aim of improving the regulatory compatibility for essential goods and services and promote harmonized regulatory agendas.*

The team strongly believes the provided provisions for optimizing economic prosperity in North America will yield economic growth and American job creation if appropriately and effectively implemented by all three parties with consideration to the evolving economic and political landscape of North America amid the pandemic. Done well, effective implementation of USMCA can support well recovery from the pandemic.

The team concludes from its research that implementing the USMCA could be at the top of the agenda between the three countries. It can help create more and better jobs and enhance prosperity across the continent.

The team would like to express its deep appreciation and thanks for the many experts who shared their insights and wisdom to help inform this study.

I. Introduction: Intense Economic and Commercial Ties

Up to 13 million American jobs are supported by the commercial relationships and shared production with Mexico and Canada.[ii] The United States, Mexico and Canada have mutual deep-seated economic and political interests and share great potential for productivity and job growth between them. The three countries have consistently been top trading partners in recent years.[iii] The U.S. is the largest commercial partner for Mexico and Canada, and its neighbors are consistently two of its top three trading partners. The U.S. trades almost twice as much with its neighbors as it does with China.[iv]

Mexico and Canada make up the most important export market for U.S. products, including manufactured goods, food and agricultural products. Recent data show that one third of U.S. exports were transported to the two countries in 2020.[v] Moreover, Mexico and Canada use more U.S. inputs than any other countries in the production of finished goods sold to the U.S.[vi] According to the United States Trade Representative (USTR), Mexico was the U.S.'s second largest export market and supplier of goods imports and the top trading partner in 2019 with $614.5 billion in two way trade that same year.[vii] Mexico and Canada are also major suppliers of energy products. On any given day, almost $1.9 billion in the U.S.-Mexico bilateral trade crosses the shared border.[viii] In 2020, Mexico was the second trading partner behind China, and Canada the third.[ix]

Canada was the U.S.'s largest export market, third largest supplier of goods imports and second top trading partner with $612.1 billion recorded in two-way trade in 2019, based on USTR data findings.[x] In 2019, Canada had the third largest foreign direct investment (FDI) in the U.S. after Japan and the United Kingdom.[xi] This amounted to $495.7 billion, and Mexico's investments in the U.S. total $21.5 billion.[xii]

The deeply interconnected U.S.-Canada relations reflect the mutual commitment to build an economic powerhouse, as reflected in the recent U.S.-Canada roadmap focusing on inclusive and sustainable economic growth, public health, clean energy innovation and highly integrated infrastructure.[xiii]

Today, all three countries are in a position to take full advantage of North American cooperation to resolve key economic issues and to build on new opportunities through approaches that enhance mutual prosperity and security. This trilateral relationship works to support job creation, innovation, productivity, and competitiveness for each country in the global economy.[xiv] Through the implementation of free trade agreements (FTA) during the last decades, economic integration between Mexico, Canada and the U.S. has shown that North American economies are stronger together. Under the North American Free Trade Agreement (NAFTA), which went into effect in 1994, trade in goods and services quadrupled, reaching some $3.6 million in trade daily and $1.3 trillion annually, according to a Wilson Center study.[xv] A Bush Center report highlights that regional integration increased Canada's real GDP by 108 percent and total employment by 45 percent since 1990, while Mexico's GDP doubled in real terms, and "its GDP per capita at purchasing power parity has increased 32 percent in real terms."[xvi] Under NAFTA, Mexico transitioned from a commodity-based economy to an industrial one. NAFTA can account for much of the "extra" merchandise trade that totaled to $635 billion of total North American trade for the U.S.; $247 billion for Canada; and $345 billion for Mexico, according to a Peterson Institute of International Economics (PIIE) study done on the 20th anniversary of NAFTA.[xvii] The trade liberalization between these countries has historically led to increased business cycle synchronization, aligning the effects of GDP growth rates, recessions and overall competitiveness.[xviii]

USMCA: USMCA replaced NAFTA and officially went into effect on July 1, 2020. The Trump Administration highlighted that USMCA would revamp the trilateral trade agenda with a focus on restoring American jobs. USMCA also reflects an agreed priority among all three countries on boosting North American competitiveness and economic cooperation. However, the pandemic injected major uncertainty into USMCA's implementation with an unpredictable economic climate for businesses, workers, and consumers. The pandemic also magnified the vulnerabilities and lack of preparedness in important supply chain networks. While the pandemic's effects are not addressed in USMCA, the agreement provides the legal framework for the parties to prioritize the proper management and protections of labor rights, data flows, intellectual property rights, businesses, critical infrastructure, cross border trade facilitation, and thus essential supply chains across the border to promote efficiency and resilience.[xix]

The Biden administration has an opportunity to build confidence and mutual trust with Mexico and Canada, as well as to strengthen cooperative institutions as North America works through the current economic crisis, pandemic management, and economic recovery in the months ahead. According to a recent Wilson Center report, each Party must work together and use the agreement in the long-term to establish cooperative work agendas to enhance North American competitiveness building on USMCA along with focus on climate change, "green" energy futures, workforce development, and the deployment of new technologies.[xx] Importantly, USMCA's establishment of the Sunset Clauses acts as a long-term review clause that keeps the provisions active for 16 years and provides vital certainty in the minds of politicians, businesspersons, farmers and workers for years to come.

This report was undertaken at the request of the Office of Mexican Affairs within the State Department's Bureau of Western Hemisphere Affairs by a team of American University undergraduate students from the School of International Service. This project is a product of American University's Diplomacy Lab program with the State Department. The team worked under the guidance of Ambassador Earl Anthony Wayne (retired) and liaised with the lead economic officer of the Mexico desk, Jacob T Schultz, to agree on the methods and goals for this project. If this report prompts any comment or question on a specific recommendation or proposal, please contact the team by email at usmca.diplomacylab@gmail.com.

II. Description of Themes

In conducting this analysis and related interviews with a variety of experts, the team identified four themes that are critical to enhancing North American competitiveness and prosperity:

1) **Restoring Confidence and Building Certainty and Resilience:** USMCA can be used as a tool to restore certainty to the trilateral relationship between the United States, Canada, and Mexico. This can serve to bring needed confidence and certainty back to North American investors and business owners concerned after years of uncertainty under the Trump Administration and the impact of the pandemic. Specifically, because of the pandemic, strengthening vital supply chains is a higher priority. The researchers believe that what some call "partner shoring," or close work with economic partners such as Canada and Mexico, can improve supply chain resilience against potential risks in the global marketplace, including a new or resurgent pandemic, while also enhancing

competitiveness against China and other economic competitors.

2) **Effective Trilateral Coordination to Advance Competitiveness**: Advanced regional competitiveness can be enhanced through the improved management of critical supply chains and infrastructure, strategic energy trade, improved citizen security, and close coordination between economies on areas likely to impact their ability to compete with other economies in the world.[xxi] Specifically important for political support in the U.S., USMCA must continue to monitor and enforce USMCA's environment and labor obligations.[xxii] Ensuring that all parties meet these provisions and maintain their commitments in the agreement will help to protect workers and the environment, as well as to maintain political support for the agreement in all three countries and strengthen democratic labor practices in Mexico. USMCA provides for a series of trilateral committees which should be used to fully achieve the potential of the agreement. This report highlights the importance of the Competitiveness Committee, in that regard, because it can be used to help direct the three governments to cooperative work in areas where the three economies need to adapt to enhance competitiveness as marketplaces continue to evolve in the years ahead. Opportunities for valuable trilateral initiatives include improving worker skills and training, focusing on the impact of emerging technologies, and engaging essential stakeholders.
3) **Moving Toward Harmonization of Cross-Border Practices and Regulations:** This theme recognizes the need to modernize what are perceived as "unfair" and non-market trading practices to ensure that workers, consumers, and businesses are better off in the North American (and global) marketplace. This report primarily examines this in relation to the need for trilateral regulatory cooperation (especially for Good Regulatory Practices) that is inclusive of civil society and stakeholders in developing coordinated provisions that affect all three countries and steps to facilitate legitimate commerce at the borders. Unlike NAFTA, USMCA importantly recognizes the internet's influence through the new chapter on digital trade. This chapter promotes the need to regulate digital commerce across borders and prohibit of discriminatory measures to digital products. Appropriate regulations on cross-border flows in physical and digital goods and services should help to stimulate growth across North America and should benefit U.S. businesses which are particularly strong in the digital and innovation sectors. The digitalization of private sector networks and cross border infrastructure is key to advancing digital productivity. On the side of implementation challenges, the elevated regional value content (RVC) requirements for vehicles and the new labor value content (LVC) for workers across North America are seen by many experts as causing difficulties to meet the new thresholds, so this must be closely monitored in trilateral dialogues.[xxiii]
4) **Expanded Stakeholder Involvement:** USMCA offers a framework for increased representation and participation of vital under-represented groups through the new chapter on Small and Medium Enterprises (SMEs), especially as SMEs provide the largest number of jobs across North America. Additional community involvement in the rulemaking process in the new Good Regulatory Practices and Anti-corruption chapters should also be of value in building legitimacy for USMCA. By offering opportunities for separate committees under USMCA to pursue initiatives and provide feedback from stakeholders, civil society, the private sector, and others, USMCA can become a more inclusive trade agreement that wins additional buy-in from the public.

III. Agriculture (Chapter 3 and Related Parts of USMCA)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Expanded Stakeholder Involvement

Top Functions of Agriculture Chapter from the U.S. Perspective:

- **Provides for unprecedented market access for U.S. dairy farmers into Canada**
- **Canada will eliminate milk classes 6 and 7 apply new export penalties, and discriminatory grading of U.S. wheat**
- **Includes a modernized chapter on sanitary and phytosanitary (SPS) measures**
- **Setting unprecedented standards for cooperation on agricultural biotechnology**
- **Prohibiting Barriers for Alcohol Beverages**
- **New Protections for Proprietary Food Formulas**[xxiv]

Critique on Current Provisions and Justification of Needed Change

Agriculture is one of the most important industries in the United States. Its influence ranges from small farmers to large scale shippers and refiners. NAFTA and USMCA have been crucial in allowing the United States, Mexico, and Canada to continue their extensive trilateral agricultural trade partnership. Canada is the leading U.S. agricultural export market, with U.S. total exports amounting to $24 billion in 2019.[xxv] Mexico is the second largest U.S. agricultural market, with a total of $20 billion in U.S. exports in 2019 in corn; soybeans; dairy products; pork and beef.[xxvi]

According to the Wilson Center, "the U.S. exported agricultural commodities to Mexico worth $18.5 billion a year between 2016 and 2018, and imported agricultural commodities from Mexico worth $24.5 billion a year."[xxvii] It is important to understand what changes have been made from NAFTA to USMCA agreement, in order to better identify the potential benefits, and also potential problem areas.

The United States Trade Representative (USTR) argues that USMCA will better enable food and agriculture to be traded more fairly and help expand the exports of American agricultural products to Mexico and Canada, compared to its former, NAFTA.[xxviii] A significant change is the ban on the use of glyphosate, a chemical insecticide/herbicide, used in industrial farming practices. The chemical has been linked to the deaths of important insects and to cause cancer in humans. This is an important step in protecting the health of consumers. However, the ban does not take effect until 2024, which places heavy pressure on farmers and the agricultural chemical industry to find substitutes sooner rather than later. Another new regulation in USMCA is the implementation of new sanitary and phytosanitary measures (SPS). These measures improve science-based decision-making in sanitary procedures and transparency on import inspections. It also establishes a new method for technical consultations to resolve issues between parties.[xxix]

The agreement is very promising in its promotion of free trade between Mexico and the United States however, to maximize the new changes to the agreement, regulations outside of the agreement need to be addressed. Mexico has passed several laws and regulations after USMCA had taken effect that have caused some frustration within much of the U.S. agricultural industry.

Since 2018, Mexico has not reviewed or approved new biotechnology. In a letter written by 27 different trade associations to United States Secretary of Agriculture, Thomas Vilsak, and US Trade Representative Katherine Tai, this was cited as an issue that demands immediate attention. This is potentially detrimental to North American farmers as well as other portions of the agreement. The lack of progress in approving new agricultural biotechnology limits farmers abilities to meet sustainability standards and new climate change goals.

Mexico recently implemented new Organic Export certification requirements which undermines USMCA, according to U.S. agricultural groups. Nations must now meet Mexico's requirements for what can be classified as organic for the products to be sold in Mexico as organic. The most difficult aspect is that companies must comply with the new regulations by June 26, 2021. The "Measure Establishing Merchandise whose Importation is Subject to Regulation by the Ministry of Agriculture and Rural Development (SADER)" was implemented on December 28, 2020, giving American organic product manufacturers only a year and a half to comply with the new Organic Products Law (LPO).[xxx] This extremely short timeline is simply unfeasible for American manufacturers to meet and will cause significant disruptions to trade, U.S. agricultural groups argue. With Mexico being the second largest market for American organic products, this increases trade barriers and will impose heavy losses. U.S. agricultural groups note these unilateral, unnotified technical barriers should be viewed as violations of USMCA as they create extra paperwork and costs for American exports to Mexico, while Mexico exporters retain uninterrupted access to the American market.

On the other side of the border, Mexico remains very frustrated with American tomato growers. American, specifically Florida, and Mexican growers compete over the tomato market in the winter and early summer. Florida tomato growers have argued for several years that they are unfairly losing market-share to Mexico's cheaper alternatives, filing anti-dumping lawsuits, and complaining that Mexico's tomato growers are a threat to the domestic market[xxxi]. Mexican growers have significant support from the Mexican government, low-cost Mexican labor, and a climate that allows growing year-round, significantly lowering the cost and leading to a higher supply of fresh tomatoes naturally coming out of Mexico.[xxxii] American growers have struggled to compete with these advantages and as a result have turned to anti-dumping complaints to gain support. American importers and consumer groups regularly argue against the Florida complaints. They argue that protection for American growers comes at the expense of higher costs and less supply of fresh produce for American consumers and that punitive U.S. steps could lead to Mexican retaliation against US agricultural exports to Mexico.

IV. Rules of Origin and Vehicle Supply Chains (Chapter 4 and Related Parts of USMCA)

Relevant Themes: Moving Toward Harmonization of Cross-Border Practices and Regulations

Top Functions of Rules of Origin Chapter from the U.S. Perspective:

- **"Elevates regional value content (RVC) requirements**
- **New requirements for vehicle producer's use of steel and aluminum**
- **Eliminates NAFTA loopholes that undermine RVC thresholds**
- **Introduces a first-of-its-kind labor value content (LVC) rule**
- **Reduces the administrative burden on vehicle and parts producers"[xxxiii]**

Critique on Current Provisions and Justification of Needed Change

Since the implementation of NAFTA, the auto industry has evolved significantly within North America, with Mexico gaining market share. In Mexico, production of light vehicles tripled since 1994, and exports of light vehicles have quintupled.[xxxiv] As of 2017, the auto industry share of Mexican total GDP has risen to 3.7 percent.[xxxv] It currently contributes to 25 percent of Mexico's manufacturing GDP.[xxxvi]

Meanwhile, the auto industry in the U.S. has seen a decrease in its share of total GDP, from 3.7 percent in 1995 to 2.5 percent in 2020.[xxxvii] While Mexico's auto industry has grown rapidly, this still benefits the U.S. through close supply chains brought about by NAFTA lowered down for U.S. consumers. Mexico currently imports 49 percent of all auto parts from the U.S., and 87 percent of its auto parts are sold back to the U.S.[xxxviii] Unions within the U.S. decried the loss of auto sector jobs to Mexico and low wages paid to Mexican auto sector workers.

The auto industry shifts contributed to deep industry integration in which just under 40 percent of cars sold to the U.S. reflected domestic parts and value added of American parts.[xxxix]

While the prices of cars for consumers were kept lower, the Trump administration was sharply critical of the NAFTA arrangements and sought changes to the new USMCA to increase content made by U.S. workers for a car to benefit from tariff free treatment in trade from Mexico to the U.S. The U.S. and Mexico eventually reached agreement after difficult negotiations. But the vehicle industry faces a challenging transition from NAFTA to USMCA rules, especially considering new pandemic related issues.

A major concern facing the auto industry is the increased percentage of their vehicles content needing to originate from the USMCA countries, due to new rules of origin. The rules of origin determine at what domestic content percentage a good must have in order to qualify for the preferential tariff treatment under USMCA. For the regional value content of the vehicles, passenger vehicles and light trucks will increase from 62.5 percent to 75 percent from 2020 to 2023, and heavy trucks will increase from 60 percent to 70 percent from 2020 to 2027. The percentage of principle and component parts will also increase.[xl] Most auto manufacturers will keep production in Mexico, due to Mexico's large auto manufacturing industry and its export agreements with nations outside USMCA.[xli]

Regional value content will also be applied for the raw materials used by the auto industry. 70 percent of auto producer's steel and aluminum purchases must be made within North America. While this will help the domestic steel and aluminum industry, it will create issues for auto manufacturers, especially in Mexico, which imports steel and aluminum for their auto industry.[xlii]

While the auto industry is moving to meet the new requirements, many companies are pushing for more time to comply. The three USMCA countries have provided this relief through alternate staging plans, which will allow auto companies up to five years to comply with the new rules. Most auto companies that requested alternative staging plans have had them approved.[xliii] While this helps larger auto companies, small to medium sized companies within the auto supply chain are also facing pressure to shift towards the new USMCA rules. Many argue that they simply don't have the resources to ensure full compliance of all their products.[xliv] The pandemic has also caused a major strain on an already changing supply chain system. Further assistance by the three countries can ease the process towards full compliance and quicken the development of a strengthened North American auto industry, according to industry analysts.

Electric automakers face greater challenges due to the need to include lithium-ion batteries into their calculations to meet 75 percent regional value content within North America.[xlv] The problem then arises, however, that North American currently does not have the manufacturing capacity to replace imports needed for production of lithium-ion batteries. Already, international and U.S. companies are working to improve production of electric vehicle components within North America. Many experts emphasize the need for further assistance.[xlvi] They argue that the U.S., along with Mexico and Canada, must make investments into electric vehicles to facilitate their industry's growth within North America. Increased investment into electric vehicles also brings the advantage of moving towards a more climate friendly auto industry, an objective supported by both President Biden and Prime Minister Trudeau.[xlvii]

Within the three USMCA countries, there will also be a shift in the auto industry due to the new labor value content requirement. The labor value content requirement requires a certain percentage of a vehicle's content is produced by workers making at or above $16 an hour. Passenger vehicles will require 30 percent to 40 percent by 2023, and light and heavy trucks have required 45 percent since the implementation of the USMCA.[xlviii] Within passenger vehicles, the 40 percent labor value content contains a 15 percent requirement for research and information technology, while 25 percent is reserved for manufacturing.

Mexico already pays more than $16 an hour wages for research and information technology work, but much less for regular labor.[xlix] Due to this, to comply with the new rules auto manufacturers must pay their Mexican manufacturing workers more or increase manufacturing production into the U.S. or Canada. It appears that many auto companies are focusing on increasing the pay of Mexican manufacturing workers or using robots to supplement higher labor wages in the U.S. and Canada.[l] While the increased pay to $16 an hour represents triple the average pay within a parts factory, it is still cheaper than moving production towards the U.S.[li] The $16 an hour wage is also still competitive internationally, with auto manufacturers still seeing Mexico as a cost effective alternative to China's labor rate growth.[lii]

Aside from the automotive industry, changes to content in the textiles industry are another important change from the Rules of Origin Chapter. Under the USMCA, finished textiles and coated fabrics are required to originate from North America[liii]. There is also preferential treatment to indigenous goods in tariff treatment while also expanding detection for customs crimes. The biggest addition in this portion of USMCA is the establishment of the textiles committee to help facilitate consultations and aid in cooperation with authorities on these issues.

V. Energy (Chapter 8 and Related Parts of USMCA including Investor Protections, Dispute Settlement, Treatment of State-Owned Enterprises and Environment)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Moving Toward Harmonization of Cross-Border Practices and Regulations; Expanded Stakeholder Involvement

Top Functions of the Energy Chapter from the U.S. Perspective:

- **"Maintains the free flow of energy across borders through zero-tariff trade in energy products**
- **Locks in Mexico's historic 2013 energy reforms**
- **Facilitates the movement of hydrocarbons by pipeline**
- **Provide new flexibilities in rules of origin certification requirements for oil and gas**
- **Streamlined regulatory process for U.S. liquefied (LNG) exports to Mexico and Canada"[liv]**

Critique on Current Provisions and Justification of Needed Change

North America's energy trade has fostered a prosperous interconnection between the United States, Mexico, and Canada. Reliant on one another for each states' individual strengths, the energy market, combined with technological innovations, has catapulted the North American economy into a prosperous and successful entity. Particularly, with Canada and the United States, energy has proven to be an area of wide opportunity for collaboration and integration on oil and electricity trade. In 2014, the three nations established a mechanism to allow trilateral cooperation on energy with the creation of the North American Energy Ministers Meetings. These meetings helped accelerate energy integration between the three economies as well as provide the opportunity for enhancing their relationships with regular meetings. However, this practice ended in 2018, which contributed to a negative trend in energy collaboration in North America. Recent efforts by Mexico's federal government to roll back parts of the 2013 energy reforms has alarmed US energy investors and endangered the value of foreign investments in Mexico's oil, gas, and electricity sectors. Additionally, the U.S.-Mexico Energy Business Council, created in 2016 with the objective of bringing together representatives of the respective energy industries to discuss issues of mutual interest and ways to deepen and strengthen the economic ties between the two countries' energy market, has not proven to be effective given the policy orientation of Mexico's current government.

USMCA includes some provisions with the intention of having positive effect on energy trade, including zero-tariff on energy products, facilitation of hydrocarbon movements through pipelines, and new flexibilities in rules of origin certification requirements for oil and gas moving between the three countries.[lv]

However, AMLO's decision to strengthen state-owned energy entities at the expense of existing U.S. and Canadian investment threatens billions of dollars in current investments. In doing this, Mexico is giving priority to heavy oil and coal fired plants over renewable energy and electricity producers. In addition, AMLO signaled that he wants to reduce purchases of U.S. refined products and electricity and recent news reports indicate that he may also now oppose gas pipelines that are being built.

Mexico has taken steps to strengthen the role of state-owned energy entities and authorities, and possibly reduce energy trade and investment opportunities which the U.S. should address through mechanisms provided under USMCA. Nevertheless, the U.S. should still seek to foster collaboration and maximize benefits though a number of avenues. As the U.S. administration seeks to move towards greener energy and a sustainable future, opportunities to deepen collaboration and trade with Canada will expand as well. The adoption and integration of renewable energy offers North America cheaper alternatives to fossil fuels and other existing energy over the longer term. This can potentially make the region more competitive in the global marketplace. At present, however, it appears that Mexico may in effect reject this shift towards renewable energy as President Lopez Obrador seems committed to his drive to make Mexico more energy independent and that could entail more reliance on less clean forms of energy.

Investor Protections: USMCA took a step backward in investment protections at the request of the US. Canada was excluded from any obligations or dispute settlements in the investment chapter.[lvi] On the other hand, Investor-State Dispute Settlements (ISDS) provisions between the U.S. and Mexico remain in effect in the USMCA for key sectors including energy.

There are several major changes made to ISDS matters involving Mexico in the USMCA, however. First, the USMCA now requires legal proceedings take place in national courts as a prerequisite to pursuing investment arbitration. Second, more protections are provided for investors who are parties to a "Covered Government Contract."[lvii] It is also important to highlight that the ISDS procedures are made even more balanced between states and investors under the USMCA but are shifted in favor of states by establishing provisions that are to be interpreted in favor of states.[lviii]

In the energy chapter itself, the U.S. agreed to a request from then president-elect Lopez Obrador to take out much of the substance of the energy chapter itself, leaving the commitment to deepen North American integration in the energy market ambiguous. This reflects a missed opportunity for the USMCA, as energy trade makes up a significant part of both Mexico's economy and America's economy.[lix]

The U.S. and Mexico's relationship has dramatically shifted over the past decade due to energy trade. The U.S has become a huge energy exporter to Mexico, going from a USD $18 billion deficit in 2009 to a surplus in the energy trade with Mexico of USD $21 billion by 2019. As such, the U.S. is Mexico's largest supplier of gasoline and natural gas.[lx]

It is important to recognize that USMCA retained other portions of the agreement which grandfather protections existing the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) where Canada and Mexico are partners, as well as containing provisions that protect private investors from unfair treatment compared to state owned enterprise, e.g., PEMEX and CFE. USMCA also allows private sector investors to bring disputes under NAFTA rules for the first three years of USMCA. Finally, the US and Canada both retain the right to bring state to state complaints against Mexico's government under USMCA.

Experts argue that AMLO's recent energy reform threatens Mexico's competitiveness and appears to violate the USMCA. By redirecting Mexico's priorities in the energy sector to favor state-owned companies - including their national oil company PEMEX and the National Electricity Authority (CFE) - Mexico appears to be retreating as a major promoter of the rules-based international trade governance.[lxi] Through four critical amendments, Mexico's reform to the Electric Industry Law essentially dismantles incentives for private investment in electricity generation. The reform alters the energy dispatch ladder into one based on ownership that benefits CFE over private firms; renewable infrastructure incentives are eliminated; CFE's obligation to buy energy through auctions or competitive processes is eliminated; and, the Energy Regulatory Commission (CRE) has been granted the ability to revoke self-supply permits.[lxii] The United States and Canada and their private companies should definitely pursue channels provided by USMCA to deal with disputes in the energy sector while also seeking to open channels for cooperation with Mexico in this vital sector.

VI. Digital Trade (Chapter 19)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Moving Toward Harmonization of Cross-Border Practices and Regulations

Top Functions of the Digital Trade Chapter from the U.S. Perspective:

- **"Prohibits the application of customs duties and other discriminatory measures to digital products"**
- **Ensures that data can be transferred across borders**
- **Facilitates digital transactions**
- **Cracks down on data localization**
- **Promotes collaboration in addressing cybersecurity challenges**
- **Protects against forced disclosure of proprietary computer source code and algorithms**
- **Promotes open access to government-generated public data**
- **Limits civil liability for third-party content**
- **Guarantees enforceable consumer protections"**[lxiii]

Critique on Current Provisions and Justification of Needed Change

The United States, along with most trading countries, is experiencing a new form of international trade which has emerged and expanded greatly in recent decades: digital trade. Digital trade is a broad and evolving sector, which encompasses the sale of consumer products and services that are provided via the Internet. This encompasses the vital flow of data that enables global value chains, and smart manufacturing.[lxiv] The movement of digital goods and services is a significant component of exports and imports in the U.S. annually. The Congressional Research Service reports that in 2018 the U.S. exports of digital goods and services were valued at $148 billion and $80 billion for digital services.[lxv] The increasing flow of digital goods and services calls for a unique set of protections and principles to ensure that stakeholders can still reap the same benefits as they would off the Internet.

For Americans, aspects of American trade such as digital trade directly impacts economic opportunities. An estimated 1.43 million jobs in the United States are considered either part of the digital economy or directly contribute to services that are provided within the digital economy.[lxvi] As the number of these American jobs reliant on digital trade increase, the provisions in USMCA related to digital trade become more important in helping ensure the growing sector is governed by rules and practices that protect its vitality. Digital trade is one of the major new waves affecting not only recent growth but the potential of USMCA of trade which has created large impacts not only for the U.S. economy but as well as Canada and Mexico. This led North America's negotiators to ensure that the new USMCA included new and forward-looking treatment of digital trade issues that could help boost not only the U.S. economy but those of Canada and Mexico as well.

There are other estimates about 68 percent of the total service exports.[lxvii] The large proportion that digital trade accounts for calls for the creation of Chapter 19 which promote and protect the flow of trade and the various parties impacted by trade.

USMCA ensures transactions and traditional trade practices occurring on the digital front enjoy the same benefits as traditional trade. USMCA's Chapter 19 removes non-tariff barriers on all digital goods and services. Arguably most important, Chapter 19 creates a strong framework that protects data information and its flow throughout North America. With all three parties having the ability to establish their own national policies regarding established data privacy laws, USMCA allows for the information being transferred from country to country to be protected.[lxviii]

A challenge arises however, as the United States, Canada and Mexico have crafted different data privacy laws. In November 2020, Canada for example introduced a federal data privacy policy which is seen as the strictest data regime in the world. If fully implemented, the Office of the Privacy Commissioner in Canada will have full authority to audit the privacy practices of organizations if there is evidence which shows otherwise.[lxix] Mexico, in 2010, implemented the "Federal Law on the Protection of Personal Data held by Private Parties."[lxx] The Mexican government then passed additional laws in 2015-2016. The United States in 1974, implemented Their first privacy law known as the "US Privacy Act of 1974."[lxxi] This law specifically granted citizens the right to access data from different government agencies and change an error-written personal information to name two. Later, several other laws were passed which encompass the citizen's which protects the information of individuals across different sectors and industries.[lxxii]As a result of the increasing use of digital services and online platforms, USMCA responds to the need for strong laws and regulations which protect the data and privacy of consumers.

Data localization is the storage of data that is physically present within a country where the data was generated.[lxxiii] Data localization is significant for the larger idea of data security to promote secure frameworks that ensure the personal information of consumers is protected from forms of unauthorized disclosure. Prohibiting the localization of data further allows for North American firms to conduct businesses in North America as well as protects the personal information of consumers from traveling to unagreed locations.

VII. Labor (Chapter 23 and 31)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Moving Toward Harmonization of Cross-Border Practices and Regulations

Top Functions of the Labor Chapter from the U.S. Perspective:

- **"Requires the parties to adopt and maintain core labor standards**
- **Requires the parties to prohibit the importation of goods produced by forced labor, including forced child labor**
- **Requires the parties to ensure migrant workers are protected under labor laws**
- **Includes first-of-its-kind language requiring parties to address violence against workers for exercising their labor rights**
- **Makes obligations more easily enforceable"[lxxiv]**

Critique on Current Provisions and Justification of Needed Change

The USMCA is unique among trade agreements in the support received from U.S. labor unions, especially the AFL-CIO.[lxxv] Even though many labor unions were against NAFTA, the support for USMCA is warranted. Accompanied by very significant labor reforms being implemented in Mexico, labor enforcement and dispute settlement methods that are included within USMCA and the cooperation among the three governments, the agreement has the potential to produce positive change for workers in North America.

In Mexico, many of the major labor reforms were ratified prior to the implementation of USMCA, on May 1, 2019, as part of the domestic platform supported by President Andres Manual Lopez Obrador.[lxxvi] These labor reforms were later codified directly into the USMCA under Annex 23-A, transforming Mexico's domestic reforms into an international commitment.[lxxvii] Mexico's labor reform law focuses on three major reforms: a) the elimination of forced or compelled labor; b) the establishment of greater worker and union rights and democracy; and c) the creation of a system of independent labor courts and conciliation processes.[lxxviii]

While hailed as a positive development by labor in North America, the reforms have yet to be fully implemented. The reforms are meant to be implemented in a staggered process up until May 1, 2023.[lxxix] Even with the four years of flexibility, opposition from business leaders, opposition from existing labor unions, and the difficulty in creating an independent court and conciliation process pose challenges to implementation.[lxxx] While the COVID-19 pandemic has affected the implementation of these labor reforms, more must be done to have a fully implemented and effective labor system by May 1, 2023.

To enhance Mexican compliance of the labor reform and meet concerns of U.S. labor unions and their supporters in the U.S. Congress, new labor enforcement and dispute settlement methods were included within USMCA.[lxxxi] Key to these new enforcement measures is the rapid response mechanism, which grants parties in Canada and the U.S. the ability to file complaints against specific covered facilities that are allegedly not adhering to the labor provisions of the USMCA labor Chapter 23.

Mexico faces additional barriers to filing complaints against U.S. labor practices.[lxxxii] Currently, the only active labor complaint involves gender discrimination against female Mexican migrants in the U.S., which will shed light on the effectiveness of the new enforcement methods as applied to the U.S.[lxxxiii]

The AFL-CIO, which threatened to file a complaint in mid-2020, has yet to do so.[lxxxiv] This suggests that U.S. labor unions and other parties are waiting to see how Mexico implements their labor reform, and that with fewer complaints a smoother transition process can occur.

Within Mexico, the willingness and commitment to further labor reform under the USMCA has been shown through the actions and words of the López Obrador Administration. President López Obrador pushed for the passage of the Mexican labor reform bill and has sided with Mexican labor when complications arise.[lxxxv] He has also facilitated practical solutions to labor-business disputes,[lxxxvi] as well as appointed pragmatic economic ministers that work with the labor and business sectors while advancing foreign trade, such as the USMCA.[lxxxvii] More recently, his government has publicly denounced election fraud by existing unions, further reinforcing the commitment towards labor reform.[lxxxviii] Similarly, in the U.S., President Biden has committed to labor reforms through his USTR appointments. His U.S. Trade Representative, Katherine Tai, was instrumental in negotiating key labor provisions within USMCA[lxxxix] and has recently pushed for more intensive environmental and labor provisions within trade agreements.[xc] He also nominated trade deputy Jayme White, who has been involved with labor.[xci] The U.S. Congress has also shown willingness to pursue Mexican labor reform through monetary assistance to Mexico.[xcii] In total, $210 million has been appropriated for USMCA labor implementation, with $50 million having been allocated to specific projects in 2020.[xciii] Given the pro-labor stance of the U.S. and Mexican administrations, there is ample opportunity for labor cooperation between the two countries, but the rapid dispute settlement mechanism will, no doubt, also be used to try to assure better Mexican practices.

VIII. Small & Medium Enterprises (Chapter 25)

Relevant Themes: Restoring Confidence and Building Certainty and Resilience; Effective Trilateral Coordination to Advance Competitiveness; Expanded Stakeholder Involvement

Top Functions of the Small and Medium-Sized Enterprises chapter from the U.S. Perspective:

- "**Promotes cooperation** to increase opportunities for SME trade and investment.
- **Establishes information-sharing tools** that will help SMEs to better understand the benefits of the agreement and provide other information useful to SMEs doing business in the region.
- **Creates a committee on SME issues** comprised of government officials from each country.
- **Launches a new framework for an ongoing SME Dialogue** with stakeholders to help ensure that SMEs continue to benefit from the agreement."[xciv]

Critique on Current Provisions and Justification of Needed Change

With Chapter 25, USMCA became a first in multilateral trade agreements that explicitly expands trade dialogue to Small and Medium Enterprises (SMEs). This is essential, as SMEs employ the most workers in all three regional economies and are vital to job creation and the flow of North American trade. Expanding and safeguarding under-represented groups establishes a more equitable playing field in North America. In combination, this gives the United States the opportunity to harness the large population of SMEs in the American economy to maintain and increase American jobs in the industry.

According to Chris Wilson from the Wilson Center's Mexico Institute, the easiest place for small businesses to conduct economic trade are with their neighbors. The U.S., Mexico and Canada's share values and a high degree of familiarity with products they manufacture and trade with one another. USMCA utilizes this trilateral cooperation to further encourage SMEs to conduct more international trade with their neighbors.[xcv] Moreover, USTR states that the new rules in USMCA lower "De Minimis" thresholds for small shipments to $2,500, where they do not have to pay a tariff and have reduced paperwork for anything under this set level.[xcvi] This can incentivize SMEs to engage in foreign trade. U.S. small businesses, for example, can benefit from a lower tariff-free "De Minimis" level for trade with Canada and Mexico. This should allow smaller sizes or values of their shipments, which can encourage SMEs to enter the North American international marketplace even though they have more limited export capacities than larger companies. Lower values for tariff-free E-commerce shipments should also increase the opportunity of more SME transactions, and SMEs are very active in the e-commerce sector.

The knowledge gap will likely continue to be the most prominent barrier to SMEs that do not have all the resources of larger companies to master trade rules and processes. This is especially true for SMEs that wish to conduct commerce internationally. This is one of the reasons that the new SME committee created by USMCA can be valuable, as it can work on ways to address SME needs and improve cooperation to keep them informed and encourage their engagement. As part of this committee, Chapter 25 encourages all countries to cooperate in fostering innovation, information sharing, and improving the access of capital and credit to these small businesses.

Furthermore, SMEs benefit from the intellectual property protections established by USMCA's Intellectual Property (IP) Chapter (Chapter 20). USTR asserts that these provisions to make application procedures publicly available online decrease transaction costs and makes it easier for SMEs to enter the marketplace.[xcvii] The Committee of Intellectual Property Rights is one example of how all three parties are committed to ensure that small businesses are able to reap special privileges that are outlined in USMCA.[xcviii] The promotion of IP protections that specifically benefit innovators aid in setting a future precedence which encourages SMEs to participate in international trade both within and beyond North America.

The SME chapter supports the recent report issued by UCSD, U.S.-Mexico 2025 Forum, which argues for prioritizing economic inclusion, by utilizing the legal framework of USMCA to provide transparent and progressive policy that is aligned with the economic agenda of promoting prosperity and wide-spread benefit. Notably, Chapter 25 allows constituencies and builds support for policies that are important at the macroeconomic level. The Mexico Institute's Chris Wilson asserts that NAFTA failed to do this and it is often perceived as a set of rules for elite businesses and not helping workers or small businesses. USMCA needs to use its tools and put energy behind these topics related to inclusion to drive inclusive progress for under-represented groups and be supportive of the Biden administration's economic agenda to help Small and Medium Enterprises.[xcix]

IX. Competitiveness (Chapter 26)

Relevant Themes: Restoring Confidence and Building Certainty and Resilience; Effective Trilateral Coordination to Advance Competitiveness; Moving toward Harmonization of Cross-Border Practices and Regulations; Expanded Stakeholder Involvement

Top Functions of the Competitiveness Committee from the U.S. Perspective:

- "**Discuss and perform cooperation activities** to encourage production in North America, facilitate regional trade and investment, promote goods and services circulation in the region, and provide an answer to market and emerging technologies developments.
- **Present recommendations to USMCA's Free Trade Commission** to enhance competitiveness in the region.
- **Identify priority projects and policy to develop physical and digital infrastructure** to better

merchandise circulation.

- **Discuss collective action** required to fight distorting practices for the market by other countries not party to the Agreement that could affect the region's competitiveness.
- **Promote cooperation activities** in innovation and technology."[c]

Critique on Current Provisions and Justification of Needed Change

Chapter 26 of USMCA establishes the North American Competitiveness Committee (NACC), which reports to the Ministerial-level Free Trade Commission (FTC) under USMCA. This Committee provides a way for the three countries to develop cooperative activities in an ongoing dialogue on how to advance North American competitiveness over the years ahead. The FTC was created to act as the central institution of USMCA and consists of cabinet-level representatives from the three Parties. It supervises the application of the agreement, resolves disputes arising from its interpretation, and delegates to working groups and committees.[ci]

The Competitiveness Committee is designed to analyze the connectivity across governments needed to incentivize production, facilitate regional trade and investment, and make commerce in North America better suited for the challenges faced today and tomorrow. The Competitiveness Committee is to prepare a report for the Free Trade Commission, where the three trade ministers have been tasked to agree on key areas for tripartite action. Needless to say, this will require consensus on priorities and on the best means to carry out priority projects.

One of NAFTA's greatest weaknesses was the lack of a dialogue to adapt the agreement and enhance competitiveness in the three countries as the global and North American marketplaces evolved with new technologies, products, services and practices. The three governments should learn from this mistake and use the Competitiveness Committee to centralize forward looking dialogue as a core activity in USMCA. This can help to drive communication and cooperation efforts and build resilience against issues or processes that may hinder North American competitiveness.[cii]

While North America continues to be the most competitive region in the world, according to the analysis of SMU's Bush Center, it is crucial that the three governments work together to promote trilateral geopolitical alignment, global competitiveness and sustained economic growth in order to strengthen their leading position in the global economy.[ciii] The three governments should utilize the Competitiveness Committee as a tool to exchange ideas on how to establish initiatives and policies that maximize their competitive advantages, modern infrastructure, movement of trade and certainty across North America.[civ]

The Committee also represents the opportunity for the three Trade Ministers to collaborate with other working groups and bodies established under USMCA, as well as with stakeholders to better advocate for their benefit. This can help to foster a positive trilateral relationship on issues that will be essential for North America's ability to compete with China and others in the global marketplace.[cv]

These substantive areas for collaboration can include supporting improved resilience to international challenges and supporting efforts to modernize and facilitate border trade flows, even if much of the specific work might be led by a variety of agencies.[cvi] This can work to reverse the decline in North American competitiveness within the last ten years that the Bush Institute's work has recorded, and help address Mexico's current reversal of the liberalization of foreign investment.[cvii] This tripartite work in the Competitiveness Committee can build on the interdependent nature of regional trade flows and commercial ties to the competitiveness of each Party within the public and private sectors.[cviii]

Moreover, the ongoing health crisis and economic recession has exacerbated fears over high unemployment rates, access to health care and reduced mobility along the shared border. Medical and health supply chain issues and the Buy America debate arguably have the most urgency in terms of potential downsides for the governments which will likely attract the interest of parties who want to be in the process of progress and economic recovery.[cix] Effective trilateral dialogue at all levels is essential to widen Canada and Mexico's perspectives on Buy America, as regional cooperation may become complicated by new U.S. tax policies. At the same time, President Biden's attention will likely become focused on domestic investments to secure effective job creation and the well-being of American workers. This may potentially shift attention away from the U.S.-Canada and U.S.-Mexico bilateral agendas, but this report argues that such North America cooperation remains vital. Also, it is important to underscore that the massive U.S. stimulus package and the proposed infrastructure investment will likely have a positive impact on the two neighbors, underscoring the value of regular North America policy dialogue.

X. Environment (Chapter 24)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Moving toward Harmonization of Cross-Border Practices and Regulations; Expanded Stakeholder Involvement

Top Functions of the Environment chapter from the U.S. Perspective:

- **"Requires the parties to effectively enforce their environmental laws**
- **Promotes the protection of coastal and marine environments**
- **Seeks to improve air quality**
- **Ensures market access for U.S. environmental technologies, goods, and services**
- **Promotes conservation and combats trafficking in wildlife, timber, and fish**
- **Requires parties to fulfill obligations under multilateral environment agreements**
- **Encourages public participation in implementation**
- **Complements a modernized, trilateral environmental cooperation agreement"[cx]**

Critique on Current Provisions and Justification of Needed Change

Environmental rights have historically been underrepresented in global trade agreements. USMCA's predecessor, NAFTA, had "side"[cxi] agreements concerning the environment, but were far from substantial provisions that protected the environment. Changes around environmental provisions in trade have developed considerably since NAFTA, notably with the Trans-Pacific Partnership (TPP), setting a precedent for trade agreements to follow. The USMCA improves upon NAFTA's environmental standards and has dedicated an entire chapter to set new guidelines for the three nations. However, the agreement fails to set an agenda that is aggressive enough to accomplish the goal of combating climate change and has been strongly opposed by several national environmental groups.[cxii]

The USMCA's new provisions include a predominant focus on fishery management, ozone protection, protection of marine and endangered species, and marine litter. Additionally, the treaty makes trade dispute settlement provisions applicable to environmental disputes, as well as affirms the parties' commitments to their previous multilateral environmental agreements. Notably, the USMCA preserves the major aspects of the NAAEC's Commission on Environmental Cooperation (CEC), its secretariat, and the Joint Public Advisory Committee (JPAC)[cxiii] established under the NAAEC.

While the USMCA makes improvements in environmental regulations, it still fails to address important issues, including climate change or renewable energy. Strikingly, the treaty also fails to address and restrict the outsourcing of corporate pollution. This is especially important to note under NAFTA some companies moved polluting facilities to countries with weaker environmental controls, namely, to Mexico.[cxiv] Another area the USMCA failed to deliver on environmental protections is not including the Paris Agreement in the list of MEAs each country is required to adhere to.

The prominent focus of fishery subsidies provides an important economic gain for all three parties. A 2017 World Bank report estimated that more sustainable fishing practices could contribute to an additional USD$83 billion per year globally for the fishing industry.[cxv]

While the USMCA's environmental changes from NAFTA are not expected to have a significant effect on the energy sector, there are three changes that should be examined by businesses. These include the elimination of "the proportionality rule" which would allow Canada more flexibility to adopt climate change or related policies that would alter export levels relative to domestic consumption;[cxvi] promotion of corporate social responsibility with no required set standards; and the inclusion of the Environmental Cooperation Agreement which means a commission will work to address and prevent trade-related environmental conflicts and monitor the effects of the USMCA on the environment.[cxvii]

The biggest critic of the USMCA's environmental chapter is its failure to address climate change, the most pressing environmental issue today. Additionally, the agreement's lack of an aggressive approach towards tackling sustainability and environmental protection limits the level of pressure the U.S. can place on Mexico to develop and innovate new sustainable practices - namely with renewable energy. The most significant risk with the USMCA is the possibility of corporations moving to areas with lower environmental standards and is an issue that should be focused on substantively. Also of importance going forward is the strong commitment of the Biden administration to foster green energy investment and the U.S.-Canadian agreement to work on such areas that accompanied the first meeting of Biden with Prime Minister Trudeau.

XI. Anti-Corruption (Chapter 27)

Relevant Themes: Effective Trilateral Coordination to Advance Competitiveness; Expanded Stakeholder Involvement

Critique on Current Provisions and Justification of Needed Change

The new chapter on anti-corruption represents the joint commitment to implement anti-corruption and anti-bribery compliance programs in international trade and investment. It commits the governments to follow and review the letter and spirit of the United Nations (UN), Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention), Inter-American Convention Against Corruption (IACAC) and United Nations Convention against Corruption (UNCAC) principles around anti-corruption to make them legally and institutionally effective. While this chapter largely reflects the measures covered in the Trans-Pacific Partnership (TPP), the inclusion of the Foreign Corrupt Practices Act (FCPA) in USMCA provides that respect for the OECD Convention will be subject to dispute settlement, which is a major benefit of the chapter.[cxviii]

However, it is important to note the major potential challenge posed by corruption in Mexico. Transparency International's (TI) worldwide public opinion survey on perceptions of corruption and individual experiences of bribery: the Global Corruption Barometer (GBC), concluded that 50 percent of Mexican citizens were offered "bribes in exchange for votes at national, regional or local elections."[cxix] The widespread lack of trust and confidence in governmental officials speaks to the need for USMCA partners to seek increased commitments through agreeing to a broader, more collaborative and robust approach to anti-corruption in the region.[cxx] This represents an opportunity for the AMLO administration to put into practice the President's many promises to reduce corruption. While experts conclude that it is unlikely that this chapter will result in significant practical changes, it represents the shared interest to combat corruption in a trade agreement which can help to strengthen the transparent relations and practices across the North American region during USMCA's implementation.

Steps must be taken to generate efficient prevention provisions. Scott Miller, at CSIS, emphasizes the importance of Chapter 29 on Publication and Administration to ensure that anti-corruption efforts are being published or otherwise made available by each party. If regulations are issued in a transparent manner, there is less room for political leverage and for public officials to interpret the rules more favorably for one over another.[cxxi]

Max Kaiser, writing for the Wilson Center, identifies five pillars in the anti-corruption agenda that the U.S. and Mexican governments should focus on that he believes should also be utilized by the Canadian government. These areas are broad and will be hard to operationalize in practical cooperation, but they provide a useful conceptual framework with which the three governments can work as USMCA is operationalized:

1. **"Attacking corruption, from the electoral processes, to the individual exercise of power, in all its forms;**
2. **Creating a true culture of integrity in public service;**
3. **Strengthening the independence and effectiveness of the institutions involved in the fight against corruption;**
4. **Establishing effective channels for collaboration between both countries, to achieve concrete results; and**
5. **Establishing effective policies to involve organized civil society, academia, and the private sector in the fight against corruption, as long-term allies."[cxxii]**

XII. Good Regulatory Practices (Chapter 28)

Relevant Themes: Moving toward Harmonization of Cross-Border Practices and Regulations; Expanded Stakeholder Involvement

Top Functions of The Good Regulatory Practices (GRP) chapter from the U.S. Perspective:

- Central coordination of regulatory bodies and private advisory committees.
- Publication of annual plans of expected regulations.
- Consideration of public suggestions for improvements to regulations and effects on small businesses.
- Public consultations on draft texts of regulations.
- Evidence-based and high-quality analysis and explanations of the scientific or technical basis for new regulations (such as parameters for conducting regulatory impact assessments and retrospective reviews).
- Techniques for encouraging regulatory compatibility and regulatory cooperation.[cxxiii]

Critique on Current Provisions and Justification of Needed Change

Chapter 28 on good regulatory practices (GRPs), inspired from the regulatory coherence chapter of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), provides detailed internal regulatory requirements on U.S. administrative practices that were not present under NAFTA. GRPs help to improve the quality and cost-effectiveness of domestic regulations through coordinated, cost/benefit and "risk-based" assessments.[cxxiv] This is enhanced by regulatory cooperation through discussions on how to eliminate differences between countries' regulations, as North America capitalizes on making and selling things to each other.[cxxv] Moreover, GRPs encourage the continuation of the 25-year history of regulatory cooperation that is built from a sophisticated understanding of risk, who the regulated parties are and what drives and changes them in the regulatory system.

However, USMCA's provisions on GRPs are not aligned with the Biden administration's executive priorities on modernizing regulatory review with consideration to "public health and safety, economic growth, social welfare, racial justice, environmental stewardship, human dignity, equity and the interests of future generations."[cxxvi] While the chapter promotes regulatory cooperation, it also promotes deregulatory provisions that increase corporate influence and erode protections for the environment, workers, consumers and public health, according to some observers. To exemplify, the fossil-fuel sector has claimed that Canada's regulation to limit the use of single-use plastics is inconsistent with the agreement's current regulatory measures.[cxxvii] This was done out of concern that a global ban could impact petrochemicals (its largest contributor to growth) and reduce oil-demand growth from 100 million barrels daily to three million.[cxxviii]

This chapter will need to be coordinated with Biden's priorities. It will need to develop a process to identify the regulatory dialogues that demand immediate attention to promote harmonized approaches and practices across the border, not obstruct policy and govern regulatory review for effective action.[cxxix] Such work can also support a smoother process in the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) when undertaking regulatory initiatives.[cxxx] In order to produce more effective coordination, the CSIS' Scott Miller encourages clear communication, transparent development of regulations and early planning on common regulatory approaches for product standards, performance technology safety and other factors that will strengthen key cross border industries. However, this is an area where intergovernmental cooperation will be difficult, as regulators have domestic constituencies and their own systems developed nationally over time.[cxxxi]

It is essential that each party utilizes key advisory coordination in ways that help provide common approaches to emerging technologies and advance competitiveness. If this is well implemented, it could greatly reduce the technical barriers and costs to businesses and consumers, while providing workplace safety communication rules. This can serve to expand regulatory policy space, harmonize regulatory standards, and make way for positive developments, especially between the U.S. and Mexico.[cxxxii]

XIII. Conclusions

The U.S., Canada, and Mexico have the opportunity to use USMCA to advance trilateral cooperation, strengthen relations and confront emerging challenges that face North American competitiveness. This will help to build a stronger North American region and enhance the ability of all three to compete in the global marketplace as a leading economic powerhouse.

Implementation of USMCA has been hampered by the pandemic, which created uncertainty across the region, working to destabilize the landscape of the three regional economies through job losses, transition from a physical to a virtual labor market, the mismanagement and dislocation of supply chains, and the closing of many small businesses. It is imperative that each country recognizes the need to build resilience and certainty to sustain prosperity and confidence throughout the economic recovery and beyond.

In the short-term agenda, the parties should prioritize the development and management of essential industries and workers, supply chains, key regulatory dialogues and while working together to overcome the health crisis.

It is essential, however, that all three countries engage in trilateral cooperation activities with a longer-term vision to identify, agree on and communicate on decisions that impact their trade, investment and economic growth for the future.

The three countries should use the Competitiveness Committee and the opportunities provided by USMCA's key provisions to promote initiatives that maximize their competitive advantages. **Here are the research team's specific suggestions:**

- **Agriculture:** *New Mexican Organic Export Certification regulations are being imposed too fast. Thus, USTR, USDA, and the U.S. Department of State should ask for more time to allow American Organic exporters to comply with new regulations. The parties should urge Mexico to clearly define what is banned under its new corn GMO ban, as well as to resume its process of reviewing new biotechnologies. North American should recognize the need to expand USDA's Joint Organic Compliance Committee to include other agricultural issues to expand continuing inter-agency dialogues. The U.S. should work to find constructive ways forward on issues of high importance to Mexico such as tomatoes.*
- **Rules of Origin:** *The shift in the rules of origin for auto manufacturing will affect competitiveness within North America. Automation and greater assistance for alternative staging regimes will help keep increased prices in check and thus can help ensure continued competitiveness in North America. Assisting the electric auto industry will bring the benefit of strengthening an environmentally conscious or "greening" industry within North America while furthering the auto industry, such as through increased domestic battery and critical mineral production. Properly enforcing the labor value content within North America will increase wages in the region, mainly through increased Mexican wages. But attention must be paid to the challenges of accurate RoO use and to the impact of these rules as new technologies, like electric vehicles, emerge. Regular dialogue with stakeholders, including unions, will be needed.*
- **Energy:** *Steps are needed to re-build consensus among the three governments. A return to regular trilateral meetings of North America's energy ministers to stimulate cooperation on climate change, sustainable development, energy efficiency, emission reductions, renewable integration, and grid integration could help do that. The U.S.-Mexico Energy Business Council also should be reinvigorated, with a renewed focus not just on hydrocarbons but also on renewable energy. Furthermore, North American countries have a mutually beneficial opportunity to work together on a plan for the electrification of the regional vehicle fleet, both for passenger and freight vehicles. These efforts to build cooperation should be pursued while parties use the appropriate portions of USMCA to address disputes that appear likely to arise.*
- **Digital Trade:** *It is essential that continued dialogue works towards synchronizing national digital policies. Within these dialogues, experts recommend emerging digital issues such as transparency and security regarding data and information sharing. This Chapter sets the standard and precedence for digital governance and privacy laws for future trade agreements. It is also important for dialogues to discuss emerging trends and issues that occur in the industry to further strengthen promises made in the agreement and to adapt to keep up with emerging trends and products.*
- **Labor:** *Mexico's labor reforms have the potential to benefit workers across North America. The U.S. can be instrumental in helping to move forward these reforms by using well its technical assistance. Given the self-imposed budget constraints within the Mexican government, external funding and technical support is needed. Working with Mexican partners, the U.S. can also help prioritize specific*

states within Mexico for their staggered labor reform implementation. By working to adjust the priority order for states in Mexico that implement labor reforms, labor reform can first come to states that are priority areas to North American trade, and can be enacted in other states in later years. Promoting the use of the rapid response mechanism for egregious cases of poor labor policy would also help to push labor reform further, if used judiciously.

- S**MEs:** *The Committee for Small and Medium-sized Enterprises has the opportunity to increase the sentiment in favor of trade across a wide range of stakeholders in North America. The three governments should work toward eliminating the knowledge and skills gap that SMEs commonly face in comparison to Multinational Enterprises regarding cross border trade. Exchanging skills training, information, and emerging market trends are three ways the U.S., Canada, and Mexico can increase engagement with stakeholders in all three countries.*
- **Competitiveness:** *The three governments must recognize the need to institutionalize trilateral cooperation and dialogues in the various fora created in USMCA, but especially in the new Competitiveness Council. This later forum should be used to identify and begin work on the issues that will be essential for all three economies to compete successfully in the future. Ideas for potential action include a task force to facilitate a North American workforce development agenda to help develop agile workers that meet the technology-based demands of the 21st century labor market; a trilateral forum to identify ways to promote sustainable development and green energy technologies (e.g., electric vehicles); and a working group to steer a broad, forward looking supply chain initiative. This last group should agree on ways to inform customers of the supply chain process, address the cost of decoupling with China, and improve supply chain resilience amid the pandemic. Each country should encourage the use of what is being called "ally-shoring, or "partner-shoring," to protect and optimize essential supply chains, invest in domestic jobs, and advance North American technology and innovation.*
- **Environment:** *The three governments should work to agree on new standards to adhere to the commitments of the Paris Climate Agreement and include the United Nations' (UN) Paris Climate Agreement to the list of those to which each party must commit. USMCA implementation should thus include work to ensure that each party is staying committed to the goals and provisions in the Paris Climate Agreement. The parties should explore how to make North America's economies "greener." This could include provisions for review of green performance of companies and public entities in all three countries.*
- **Good Regulatory Practices (GRPs):** *Each party should work on confidence building and strengthening trilateral relations in the wide range of areas where regulation is particularly important to commerce across the continent. Bringing regulators together for collaborative dialogues and improved harmonization on existing priorities (e.g., automotive industry) or emerging issues will be important (e.g., biotechnology industry or artificial intelligence) in comparison to re-writing rules and issues where positions are fixed in stone. They should utilize key advisory coordination to bring in a wide range of stakeholders, including public health experts and other working groups/committees together at roundtables in the GRP Committee, with the aim of improving the regulatory compatibility for essential goods and services and promote harmonized regulatory agendas.*

The main areas that the team believes should be addressed on the trilateral agenda include: "green" energy technologies (e.g. electric vehicles), energy efficiency and renewables, inclusive economic growth (including regional workforce development dialogue), harmonized regulatory frameworks, transparent information sharing for digital governance, work on sustainable development and climate change, coordinated cross-border trade of goods and services (including E-commerce) and enhanced trilateral dialogues and practices in all key sectors.

The team identified the following four themes as the most important approaches to advance North American competitiveness and prosperity: *1) Restoring Confidence, Certainty and Resilience; 2) Effective Trilateral Coordination to Advance Competitiveness; 3) Moving Toward Harmonization of Cross-Border Practices and Regulations; and 4) Expanded Stakeholder Involvement.* Each theme has been listed with the priority examples that the team believes should receive trilateral attention:

Themes	Top Recommendations/Priority Areas
Restoring Confidence and Building Certainty and Resilience	● Use the Competitiveness Committee to Create a Forum to Steer a Broad Supply Chain Initiative ● Promote "Ally-Shoring" to Enhance Supply Chain Resilience
Effective Trilateral Coordination to Advance Competitiveness	● Use the Competitiveness Committee to Create a Forum to Support "Green" Energy Technologies, Emerging Industries (e.g., electric vehicles) and Sustainable Development ● Collaboration among Energy Ministers; also involving environmental ministers
Moving Toward Harmonization of Cross-Border Practices and Regulations	● Create an Inclusive Trilateral Forum to to Identify and Facilitate Important Regulatory Dialogues under USMCA
Expanded Stakeholder Involvement	● Use the Competitiveness Committee to reach agreement to form a Task force on the North American Workforce Development Agenda ● Vigorous work to embrace SMEs

The team believes that these approaches hold significant potential to ensure a more effective implementation of USMCA in ways to promote a smooth reopening of businesses and improved sense of certainty across North America.

According to Chris Sands at the Canada Institute, the past generation thought North America was a possibility which engendered the support to create NAFTA as a way to institutionalize trilateral cooperation. This generation accepts that North America exists and is trying to figure out how to make it work better together. However, part of the problem that remains since NAFTA, is that many leaders view North America "looking backwards." The U.S. should now work to integrate more people into this dialogue with a "forward looking" perspective on USMCA and to think about North America as a playing field where the U.S., Mexico and Canada can and should work together.[cxxxiii]

XIV. Appendix: Outside Experts Consulted

The team would like to express a special appreciation to the following experts for their helpful insights. The team has also provided a list of organizations and individuals that we believe would be helpful to seek more information from if the U.S. State Department is interested in taking specific recommendations further in discussions.

U.S.-Mexico Affairs Specialists

Braham, Edgar. Economic Counselor at the Trade Office, Mexican Embassy in Washington D.C. Personal Interview. 6 Apr. 2021.

Lameda, Gerardo. Minister at the Trade Office, Mexican Embassy in Washington D.C. Personal Interview. 6 Apr. 2021.

Santos, Alvaro. Co-Director of the Center for Transnational Legal Studies (CTLS) 2014-2015 and Professor of Law at Georgetown University Law Center, March 26, 2021

Wilson, Christopher. Global Fellow and former Deputy Director of the Wilson Center's Mexico Institute, March 10, 2021

U.S.-Canada Affairs Specialists

Sands, Christopher. Canada Institute, The Wilson Center. Personal Interview. 28 Apr. 2021.

International Trade Specialists

Melle, John. Former Assistant U.S. Trade Representative for the Western Hemisphere. Personal Interview. 10 Mar. 2021.

Miller, Scott. Senior adviser with the Abshire-Inamori Leadership Academy. CSIS. Personal Interview. 13 Apr. 2021.

Rooney, Matthew. Managing Director, Bush Institute SMU Economic Growth Initiative George W. Bush Institute. Personal Interview. 26 Mar. 202.

Swiecki, Bernard. Research Director for Center for Automotive Research. Personal Interview. 1 Apr. 2021.

Relevant Organizations for Potential Contact

American Iron and Steel Association
Association Connecting Electronics Industries
Association of Home Appliance Manufacturers
Americas Society/Council of the Americas
Biotechnology Innovation Organization
Center for Automotive Research (CAR)
Corn Refiners Association
Express Association of America
Farm Bureau
IBM
Information Technology Industry Council
Motor & Equipment Manufacturers Association
National Electrical Manufacturers Association
National Milk Producers Federation
Nationals Grain and Feed Organization
Pharmaceutical Research and Manufacturers of America (PhRMA)
Plastics Industry Association
Small Business & Entrepreneurship Council
Semiconductor Industry Association

XV. Bibliography

[i] Portman, Rob. “USMCA Is a Needed Upgrade from NAFTA. Let's Get It Passed.” The Washington Post, WP Company, 11 Sept. 2019, www.washingtonpost.com/opinions/usmca-is-a-needed-upgrade-from-nafta-lets-get-it-passed/2019/09/09/c31e1862-d015-11e9-b29b-a528dc82154a_story.html.

[ii] “Trade with Canada and Mexico.” Business Roundtable, www.businessroundtable.org/policy-perspectives/trade-international/trade-with-canada-and-mexico.

[iii] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center, www.wilsoncenter.org/publication/fulfilling-north-americas-promise.

[iv] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center.

[v] United States Exports By Country, Trading Economics, 2020, tradingeconomics.com/united-states/exports-by-country.

[vi] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center.

[vii] “Mexico.” U.S.-Mexico Trade Facts, United States Trade Representative, ustr.gov/countries-regions/americas/mexico.

[viii] “FACT SHEET: U.S. – Mexico Bilateral Cooperation.” The White House, The United States Government, 1 Mar. 2021,www.whitehouse.gov/briefing-room/statements-releases/2021/03/01/fact-sheet-u-s-mexico-bilateral-cooperation/.

[ix] Ranking of the Top Trading Partners of the United States for Trade Goods in 2020, by Import Value. Statista, 22 Mar. 2021, www.statista.com/statistics/186601/ranking-of-the-largest-trading-partners-for-us-imports-in-2010/#:~:text=In%202020%2C%20China%20was%20the,import%20value%20in%20that%20year.

[x] “Canada.” U.S.-Canada Trade Facts, United States Trade Representative, ustr.gov/countries-regions/americas/canada#:~:text=U.S.%20goods%20and%20services%20trade,billion%3B%20imports%20were%20%24358.0%20billion.&text=The%20U.S.%20goods%20trade%20deficit,estimated%20%24106.3%20billion%20in%202019.

[xi] Duffin, Erin. “Countries with Highest Foreign Direct Investment (FDI) Position in the United States in 2019.” Leading FDI Countries USA, Statista, 10 Nov. 2020, www.statista.com/statistics/456713/leading-fdi-countries-usa/.

[xii] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center.

[xiii] “Roadmap for a Renewed U.S.-Canada Partnership.” The White House, The United States Government, 24 Feb. 2021,www.whitehouse.gov/briefing-room/statements-releases/2021/02/23/roadmap-for-a-renewed-u-s-canada-partnership/.

[xiv] “U.S. Relations With Mexico - United States Department of State.” U.S. Department of State, U.S. Department of State, 29 Sept. 2020, www.state.gov/u-s-relations-with-mexico/#:~:text=Mexico%20is%20the%20United%20States,to%20diversify%20its%20export%20destinations.

[xv] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center, www.wilsoncenter.org/publication/fulfilling-north-americas-promise.

[xvi] “Regional Economic Integration as a Growth Strategy.” Exploring Global Competitiveness - Integration Analysis , Bush Center, www.bushcenter.org/publications/resources-reports/resources/scorecard/integration-analysis.html.

[xvii] “PIIE Briefing No. 14-3: NAFTA 20 YEARS LATER.” Peterson Institute for International Economics, Nov. 2014.

[xviii] Owyang, Michael T. “North American Connectedness After NAFTA.” *St. Louis Fed*, Federal Reserve Bank of St. Louis, 27 May 2019, www.stlouisfed.org/on-the-economy/2019/may/north-american-connectedness-nafta.

[xix] Harapko, Sean. “How COVID-19 Impacted Supply Chains and What Comes Next.” EY, 18 Feb. 2021, www.ey.com/en_us/supply-chain/how-covid-19-impacted-supply-chains-and-what-comes-next.

[xx] Wayne, Earl Anthony. “Fulfilling North America's Promise.” Mexico Institute, Wilson Center, www.wilsoncenter.org/publication/fulfilling-north-americas-promise.

[xxi] “U.S. Relations With Mexico - United States Department of State.” *U.S. Relations with Mexico*, U.S. Department of State, 29 Sept. 2020, www.state.gov/u-s-relations-with-mexico/#:~:text=Mexico%20is%20the%20United%20States,to%20diversify%20its%20export%20destinations.

[xxii] “The United States-Mexico-Canada Agreement Fact Sheet Monitoring and Enforcement.” *United States Trade Representative,* https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA_Monitoring_and_Enforcement.pdf.

[xxiii] “United States-Mexico-Canada Agreement Fact Sheet Automobiles and Automotive Parts.” International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA-Autos_and_Auto_Parts.pdf.

[xxiv] *UNITED STATES–MEXICO–CANADA TRADE FACT SHEET Strengthening North American Trade in Agriculture*. United States Trade Representative, ustr.gov/about-us/policy-offices/press-office/fact-sheets/2018/october/united-states%E2%80%93mexico%E2%80%93canada-trade-fa-2.

[xxv] “Canada.” United States Trade Representative, ustr.gov/countries-regions/americas/canada#:~:text=U.S.%20goods%20and%20services%20trade,billion%3B%20imports%20were%20%24358.0%20billion.&text=The%20U.S.%20goods%20trade%20deficit,estimated%20%24106.3%20billion%20in%202019.

[xxvi] “Mexico.” United States Trade Representative, ustr.gov/countries-regions/americas/mexico.

[xxvii] “Mexico-US Agricultural Trade.” Wilson Center, www.wilsoncenter.org/article/mexico-us-agricultural-trade#:~:text=The%20US%20exported%20agricultural%20commodities,of%20%246%20billion%20a%20year.

[xxviii] “Creating More Balanced and Reciprocal North American Trade.” USMCA | United States Trade Representative, ustr.gov/usmca.

[xxix]"UNITED STATES–MEXICO–CANADA TRADE FACT SHEET Strengthening North American Trade in Agriculture." United States Trade Representative, ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/fact-sheets/strengthening.

[xxx]"Mexico: Organic Exports to Mexico Must Be Certified to Mexican Organic Standards by June 2021." USDA Foreign Agricultural Service, United States Department of Agriculture Foreign Agricultural Service, 29 Dec. 2020, www.fas.usda.gov/data/mexico-organic-exports-mexico-must-be-certified-mexican-organic-standards-june-2021.

[xxxi]Hubbart, Sarah. Imported Tomatoes From Mexico Have Some U.S. Growers Seeing Red. TradeVistas, 20 Aug. 2020, tradevistas.org/seasonal-produce-trade-tomato-suspension-agreement/.

[xxxii] Noble, Marilyn. "The U.S.-Mexico Tomato War Is On." The Counter, 7 May 2019, thecounter.org/tomato-suspension-agreement-mexico-tomatoes-treaty/.

[xxxiii] "United States-Mexico-Canada Agreement Fact Sheet Automobiles and Automotive Parts." International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA-Autos_and_Auto_Parts.pdf.

[xxxiv] Kleir, Thomas and Rubenstein, James "Mexico's Growing Role in the Auto Industry Under NAFTA: Who Makes What and What Goes Where" *Federal Reserve Bank of Chicago* November 6, 2017 https://www.chicagofed.org/publications/economic-perspectives/2017/6#ftn1

[xxxv] "Auto industry contributed with 3.7% of the national GDP in 2017" *MexicoNow* December 17, 2018 https://mexico-now.com/auto-industry-contributed-3-7-of-the-national-gdp-in-2017/

[xxxvi] Santos, Alvaro et al. "U.S. Mexico Forum 2025" *UC San Diego School of Global Policy and Strategy, Center for U.S.-Mexican Studies* February, 2021 https://usmex.ucsd.edu/us-mexico-forum/index.html

[xxxvii] Hill, Kim et al. "CONTRIBUTION OF THE AUTOMOTIVE INDUSTRY TO THE ECONOMIES OF ALL FIFTY STATES AND THE UNITED STATES" *Center for Automotive Research* April, 2010 https://www.cargroup.org/publication/contribution-of-the-automotive-industry-to-the-economies-of-all-fifty-states-and-the-united-states/; Amadeo, Kimberly "The Economic Impact of the Automotive Industry" *The Balance* March 30, 2021 https://www.thebalance.com/economic-impact-of-automotive-industry-4771831

[xxxviii] "Mexico - E. Automotive Parts and Supplies" *International Trade Administration* October 17, 2019 https://www.export.gov/apex/article2?id=Mexico-Automotive-Parts-and-Supplies#:~:text=The%20industry%20is%20deeply%20integrated,production%20to%20the%20United%20States.

[xxxix] Gortari, Alonso De "How Much of your Car is Made in Mexico?" *ECONO FACT* June 20, 2018 https://econofact.org/how-much-of-your-car-is-made-in-mexico

[xl] O'Hara, Jonathan et al. "Keeping The CPTPP As A Spare Tire: The New And Different Automotive Rules Of Origin Under The CUSMA And The CPTPP" *Mondaq* December 18, 2020 https://www.mondaq.com/canada/international-trade-investment/1017698/keeping-the-cptpp-as-a-spare-tire-the-new-and-different-automotive-rules-of-origin-under-the-cusma-and-the-cptpp#_ftn9

[xli] Marsh, Joanna "Could more cars be made in America after USMCA?" *FreightWaves* February 17, 2021 https://www.freightwaves.com/news/could-more-cars-be-made-in-america-after-usmca

[xlii] "Steel Rules for Cars Stall USMCA Progress" *IndustryWeek* December 6, 2019 https://www.industryweek.com/supply-chain/article/22028689/steel-rules-for-cars-stall-usmca-progress; Miller, Marcia "USMCA brings new opportunities for steel and auto" *ArcelorMittal* July 1, 2020 https://usa.arcelormittal.com/news-and-media/blog/2020/july/usmca; Angulo, Sharay "Changes to USMCA steel requirements give Mexican auto sector headache" *Reuters* June 4, 2020 https://www.reuters.com/article/usa-trade-usmca-mexico/changes-to-usmca-steel-requirements-give-mexican-auto-sector-headache-idUKL1N2DI04T

[xliii] "Sources: USTR has approved all but one USMCA alternative staging plan for auto companies" *Inside U.S. Trade* January 28, 2021 https://insidetrade.com/daily-news/sources-ustr-has-approved-all-one-usmca-alternative-staging-plan-auto-companies

[xliv] Williams, Marcus "USMCA: The milk in the coconut of North American trade" *Automotive Logistics* February 8, 2021 https://www.automotivelogistics.media/trade-and-customs/usmca-the-milk-in-the-coconut-of-north-american-trade/41559.article

[xlv] Johnston, Tim "Lack of domestic EV battery supply will require automakers to be creative to comply with USMCA" *Electric Autonomy* January 7, 2021 https://electricautonomy.ca/2021/01/07/usmca-ev-recycled-battery-content/

[xlvi] "Rep. Stevens "U.S. must 'reckon' with USMCA auto compliance, electric vehicle issues" *Inside U.S. Trade* March 18, 2021 https://insidetrade.com/daily-news/rep-stevens-us-must-%E2%80%98reckon%E2%80%99-usmca-auto-compliance-electric-vehicle-issues

[xlvii] Biden, Joseph and Treaudeu, Justin "Roadmap for a Renewed U.S.-Canada Partnership" *The White House* February 23, 2021 https://www.whitehouse.gov/briefing-room/statements-releases/2021/02/23/roadmap-for-a-renewed-u-s-canada-partnership/

[xlviii] O'Hara, Jonathan et al. "Keeping The CPTPP As A Spare Tire: The New And Different Automotive Rules Of Origin Under The CUSMA And The CPTPP" *Mondaq* December 18, 2020

[xlix] Santos, Alvaro et al. "U.S. Mexico Forum 2025" *UC San Diego School of Global Policy and Strategy, Center for U.S.-Mexican Studies* February, 2021 https://usmex.ucsd.edu/us-mexico-forum/index.html

[l] Nakayama, Shuji and Asayama, Ryo "Japanese carmakers opt to triple Mexican pay rather than move to US" *Financial Times* July 5, 2020 https://www.ft.com/content/7edbf172-9dab-4957-b8f0-2467e9d261ae

[li] Ibid.

[lii] Katzman, Clay "Transmission: Auto suppliers will head south for better weather" *FreightWaves* March 9, 2021 https://www.freightwaves.com/news/transmission-auto-suppliers-will-head-south-for-better-weather
[liii] "UNITED STATES–MEXICO–CANADA TRADE FACT SHEET Rebalancing Trade to Support Manufacturing." United States Trade Representative, ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/fact-sheets/rebalancing.
[liv] "United States-Mexico-Canada Agreement Fact Sheet Energy and Energy Products." International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA-Energy.pdf.
[lv] Potential Implications of USMCA of Energy and Transportation Sectors: Phase I. https://static.tti.tamu.edu/tti.tamu.edu/documents/185919-00015.pdf
[lvi] "United States-Mexico-Canada Agreement Fact Sheet Energy and Energy Products." International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA-Energy.pdf.
[lvii] Increased protections include granting them a minimum standard of treatment, protection against risks of indirect expropriation and transfer, and exemptions from the requirement to commence legal proceedings in national courts as a prerequisite for pursuing investment arbitration.
[lviii] Baker Institute for Public Policy. The United States-Mexico-Canada Agreement: Energy Production and Policies. https://www.bakerinstitute.org/media/files/files/a7b744b6/bi-report- 091719-mex-usmca-5.pdf
[lix] World Trade Organization. Trade Profiles 2019. https://www.wto.org/english/res_e/publications_e/trade_profiles19_e.htm
[lx] Baker Institute for Public Policy. The United States-Mexico-Canada Agreement: Energy Production and Policies. https://www.bakerinstitute.org/media/files/files/a7b744b6/bi-report- 091719-mex-usmca-5.pdf
[lxi] Ocampo, Oscar. Coordinador of Energy, Instituto Mexicano para la Competitividad A.C. (IMCO). Personal Interview. 15 Apr. 2021.
[lxii] Ocampo, Oscar. Coordinador of Energy, Instituto Mexicano para la Competitividad A.C. (IMCO). Personal Interview. 15 Apr. 2021.
[lxiii] "USMCA New Chapters." Digital Trade, International Trade Administration, www.trade.gov/usmca-newchapters.
[lxiv] "Key barriers to digital trade," January 2017 *United States Trade Representative,* https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2017/march/key-barriers-digital-trade
[lxv] Digital Trade," *Congressional Research Service,* 3 December 2020, https://crsreports.congress.gov/product/pdf/IF/IF10770
[lxvi] "Digital trade," *Internet Association,* https://internetassociation.org/positions/trade/
[lxvii] "A look at American digital exports," *Internet Association,* https://internetassociation.org/wp-content/uploads/2019/01/IA_A-Look-At-American-Digital-Exports-inc-1pager.pdf
[lxviii] "The USMCA's impact on digital trade and data transfers," *Wiley Law,* March 2020, https://www.wiley.law/newsletter-Mar-2020-PIF_The_USMCAs_Impact_on_Digital_Trade_and_Data_Transfers
[lxix] Gates, Arin, Ling, Theo and Kudinova, Karina, "Canada: watch out GDPR,- Canada proposes strict new privacy law framework backed by significant fines," 24 December 2020, *Global Compliance News,* https://globalcompliancenews.com/canada-watch-out-gdpr-canada-proposes-strict-new-privacy-law-framework-backed-by-significant-fines02122020/
[lxx] "Mexico," *data protection laws of the world,* https://www.dlapiperdataprotection.com/index.html?t=law&c=MX
[lxxi] "Complete Guide to Privacy Laws in the US," *Veronica,* https://www.varonis.com/blog/us-privacy-laws/
[lxxii] Ibid.
[lxxiii] "Data localization, *Techopedia,* https://www.techopedia.com/definition/32506/data-localization
[lxxiv] "United States-Mexico-Canada Agreement Fact Sheet Labor." International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA_Labor.pdf.
[lxxv] Penn, Ben and Diaz, Jaclyn "New NAFTA's Labor Terms Sway AFL-CIO, But Not All Unions on Board (2)" *Bloomberg Law* December 10, 2019 https://news.bloomberglaw.com/daily-labor-report/new-naftas-labor-terms-sway-afl-cio-but-not-all-unions-on-board
[lxxvi] "Interim Report" *Independent Mexico Labor Expert Board* December 15, 2020 https://www.jacksonlewis.com/sites/default/files/docs/USMCA_IMLEB-Interim-Report-December-2020-Final-as-approved-12-14.pdf
[lxxvii] Ibid.
[lxxviii] Ibid.
[lxxix] Ibid.
[lxxx] Ibid.
[lxxxi] McIntosh, Don "AFL-CIO endorses Trump's revised re-write of NAFTA trade treaty" *LaborPress* December 18, 2019 https://nwlaborpress.org/2019/12/afl-cio-endorses-trumps-revised-re-write-of-nafta-trade-treaty/
[lxxxii] Hafeez, Sahar et al. "The USMCA's Rapid Response Mechanism for Labor Complaints: What to Expect Starting July 1, 2020" *JDSUPRA* July 2,2020 https://www.jdsupra.com/legalnews/the-usmca-s-rapid-response-mechanism-74952/

[lxxxiii] "Mexican migrant women file first USMCA labor complaint against U.S." *Inside U.S. Trade* March 24, 2021 https://insidetrade.com/daily-news/mexican-migrant-women-file-first-usmca-labor-complaint-against-us
[lxxxiv] Lawder, David "AFL-CIO Chief Says Union to File Labor Complaint Under USMCA This Month" *U.S.News* September 3, 2020 https://money.usnews.com/investing/news/articles/2020-09-03/afl-cio-chief-says-union-to-file-labor-complaint-under-usmca-this-month
[lxxxv] "Mexican president pressures Canadian miner over union dispute" *Reuters* March 17, 2021 https://www.reuters.com/article/us-mexico-canada-mining-idUSKBN2B92SE
[lxxxvi] "AMLO insists on banning outsourcing after agreement with business sector" *Yucatan Times* April 6, 2021 https://www.theyucatantimes.com/2021/04/amlo-insists-on-banning-outsourcing-after-agreement-with-business-sector/
[lxxxvii] "New economy minister named in cabinet shuffle" *Mexico News Daily* December 8, 2020 https://mexiconewsdaily.com/news/new-economy-minister-named-in-cabinet-shuffle/
[lxxxviii] Stevenson, Mark "Mexican union vote halted at GM plant; vote fixing alleged" *Washington Post* April 23, 2021 https://www.washingtonpost.com/business/mexican-union-vote-halted-at-gm-plant-vote-fixing-alleged/2021/04/23/526e033e-a467-11eb-b314-2e993bd83e31_story.html
[lxxxix] DeLauro "DeLauro Statement on the Nomination of Katherine Tai as U.S. Trade Representative" *United States Representative Rosa DeLauro* December 10, 2020 https://delauro.house.gov/media-center/press-releases/delauro-statement-nomination-katherine-tai-us-trade-representative
[xc] Kaplan, Thomas and Plumer, Brad "U.S. Trade Representative Pushes Trade as a Tool in Climate Crisis" *New York Times* April 27, 2021 https://www.nytimes.com/live/2021/04/15/business/stock-market-today
[xci] Shala, Andrea "Biden to nominate Senate staffer White, former close aide Bianchi as deputy USTRs" *Reuters* April 18, 2021 https://www.reuters.com/world/us/biden-nominate-senate-staffer-jayme-white-deputy-us-trade-representative-2021-04-16/
[xcii] "Labor awards $20 million in grants to aid USMCA labor efforts in Mexico" *Inside U.S. Trade* December 16, 2020 https://insidetrade.com/trade/labor-awards-20-million-grants-aid-usmca-labor-efforts-mexico
[xciii] "Labor Rights and the United States-Mexico-Canada Agreement (USMCA)" *Bureau of International Labor Affairs* https://www.dol.gov/agencies/ilab/our-work/trade/labor-rights-usmca
[xciv] "USMCA New Chapters." *Small and Medium-Sized Enterprises*, International Trade Administration, www.trade.gov/usmca-newchapters.
[xcv] Wilson, Christopher. Global Fellow and former Deputy Director of the Wilson Center's Mexico Institute. Personal Interview. 10 Mar. 2021.
[xcvi] "UNITED STATES–MEXICO–CANADA AGREEMENT FACT SHEET Supporting America's Small and Medium-Sized Businesses." United States Trade Representative, ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/fact-sheets/supporting.
[xcvii] Ibid.
[xcviii] "Chapter 25 - Small Medium Enterprises" *United States Trade Representative*, 2017, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/25_Small_and_Medium-Sized_Enterprises.pdf
[xcix] Wilson, Christopher. Wilson Center's Mexico Institute. Personal Interview. 10 Mar. 2021.
[c] "United States Mexico Canada Agreement (USMCA) Competitiveness." Undersecretary for North America, Secretaria De Relaciones Exteriores, embamex.sre.gob.mx/eua/images/stories/economicos/nafta_chapters/Competitiveness_.pdf.
[ci] "NAFTA Free Trade Commission." GAC, Government of Canada, 3 May 2017, www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/nafta-alena/fta-ale/celeb2.aspx?lang=eng.
[cii] Sands, Christopher. Canada Institute, The Wilson Center. Personal Interview. 28 Apr. 2021.
(As a side example, Chris Sands of the Wilson Center's Canada Institute stresses that trilateral cooperation and the Canada-Mexico bilateral relationship has been troubled due to Canada's reluctance to talk to Mexico. Sands notes that Canada has a tendency to shut themselves off from discussions involving Mexico due to the idea that they do not share the same problems (e.g. corruption and migration).)
[ciii] Spanos, Kristin Kent, and Nicholas Saliba. Bush Institute Scorecard Shows That North American Competitiveness Is Slipping. The George W. Bush Institute, 2 Feb. 2021, www.bushcenter.org/publications/articles/2021/02/north-america-competitiveness-is-slipping-.html.
[civ] U.S.-Mexico-Canada Trade Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors. United States International Trade Commission, Apr. 2019, www.usitc.gov/publications/332/pub4889.pdf.
[cv] Wayne, Earl Anthony. "Fulfilling North America's Promise." Mexico Institute, Wilson Center, www.wilsoncenter.org/publication/fulfilling-north-americas-promise.
[cvi] Nanos, Nik. *The United States and Canada: Agenda 2021*. The Wilson Center, Canada Institute, www.wilsoncenter.org/publication/united-states-and-canada-agenda-2021.
[cvii] Spanos, Kristin Kent, and Nicholas Saliba. Bush Institute Scorecard Shows That North American Competitiveness Is Slipping. The George W. Bush Institute, 2 Feb. 2021.
[cviii] "United States Mexico Canada Agreement (USMCA) Competitiveness." Undersecretary for North America, Secretaria De Relaciones Exteriores, embamex.sre.gob.mx/eua/images/stories/economicos/nafta_chapters/Competitiveness_.pdf.

[cix] Miller, Scott. Trade Representative and Senior Adviser with the Abshire-Inamori Leadership Academy. CSIS. Personal Interview. 13 Apr. 2021.
[cx] "United States-Mexico-Canada Agreement Fact Sheet Environment." International Trade Administration, https://ustr.gov/sites/default/files/files/Press/fs/USMCA/USMCA_Environment.pdf.
[cxi] Spalding, Mark and Stern, Marc "NAFTA Effects: Claims and Arguments 1991- 1994." *Commission for Environmental Cooperation*, 1996. http://www3.cec.org/islandora/en/item/1692-nafta-effects-potential-nafta-effects-claims-and-arguments-1991-1994-en.pdf.
[cxii] Gantz, David A. "The U.S.-Mexico-Canada Agreement: Labor Rights and Environmental Protection." *Baker Institute*, June 13, 2019. https://www.bakerinstitute.org/media/files/research-document/62174e56/bi-report-061319-mex-usmca-4.pdf
[cxiii] "Agreement on Environmental Cooperation among the Governments of Canada, the United States of America, and the United Mexican States, Can.-U.S.-Mex., December 18, 2018. https://www.international.gc.ca/trade-commerce/assets/pdfs/agreements-accords/cusma-aceum/cusma-ECA.pdf
[cxiv] Maxwell, Amanda and West, Dan. "USMCA Is a Huge Missed Opportunity to Act on Climate." *NRDC*. Dec. 19, 2019. https://www.nrdc.org/experts/amanda-maxwell/usmca-huge-missed-opportunity-act-climate.
[cxv] "Giving oceans a break could GENERATE Us$83 billion in additional benefits for fisheries." World Bank, 2017. https://www.worldbank.org/en/news/press-release/2017/02/14/giving-oceans-a-break-could-generate-83-billion-in-additional-benefits-for-fisheries
[cxvi] Barrowes, Brooksany, et al. "USMCA Energy & Environmental Takeaways" Kirkland & Ellis, Sept. 17, 2020. https://www.kirkland.com/publications/blog-post/2020/09/usmca-energy-and-environmental-takeaways
[cxvii] Ibid.
[cxviii] Miller, Scott. Trade Representative and Senior Adviser with the Abshire-Inamori Leadership Academy. CSIS. Personal Interview. 13 Apr. 2021.
[cxix] Pring, Coralie, and Jon Vrushi. "Global Corruption Barometer Latin America & the Caribbean 2019 Citizens' Views and Experiences of Corruption." Transparency International, 2019, www.transparency.org/en/gcb/latin-america/latin-america-and-the-caribbean-x-edition-2019/.
[cxx] Wilson, Christopher. Global Fellow and former Deputy Director of the Wilson Center's Mexico Institute. Personal Interview. 10 Mar. 2021.
[cxxi] Miller, Scott. Trade Representative and Senior Adviser with the Abshire-Inamori Leadership Academy. CSIS. Personal Interview. 13 Apr. 2021.
[cxxii] Kaiser, Max. "U.S. -Mexico Cooperation on Anti-Corruption: Opening a New Chapter." Mexico Institute, The Wilson Center, Jan. 2021.
[cxxiii] "USMCA New Chapters." Good Regulatory Practices, International Trade Administration, www.trade.gov/usmca-newchapters.
[cxxiv] Kirchner, Anne, and Joseph Rieras. "Why the United States-Mexico-Canada Agreement Is Important to FDA." U.S. Food and Drug Administration, FDA, www.fda.gov/news-events/fda-voices/why-united-states-mexico-canada-agreement-important-fda.
[cxxv] Treat, Sharon. "FAQ–Regulatory Cooperation, Harmonization and "Good Regulatory Practices" in USMCA." Institute for Agriculture and Trade Policy, 16 Jan. 2019, www.iatp.org/new-nafta-grp.
[cxxvi] Treat, Sharon. Will New NAFTA Block Biden's Progressive Regulatory Policies? The Hill, 19 Mar. 2021, thehill.com/opinion/international/544044-will-new-nafta-block-bidens-progressive-regulatory-policies.
[cxxvii] Treat, Sharon. Will New NAFTA Block Biden's Progressive Regulatory Policies? The Hill, 19 Mar. 2021.
[cxxviii] Lewis, Jeff. "Single-Use Plastics Ban Poses Challenge for Canada's Fossil Fuel Sector." The Globe and Mail, 10 June 2019, www.theglobeandmail.com/canada/article-single-use-plastics-ban-poses-challenge-for-canadas-fossil-fuel/.
[cxxix] Ibid.
[cxxx] "Modernizing Regulatory Review." The White House, The United States Government, 21 Jan. 2021, www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/modernizing-regulatory-review/.
[cxxxi] Miller, Scott. Trade Representative and Senior Adviser with the Abshire-Inamori Leadership Academy. CSIS. Personal Interview. 13 Apr. 2021.
[cxxxii] Santos, Alvaro. Co-Director of the Center for Transnational Legal Studies (CTLS) 2014-2015 and Professor of Law at Georgetown University Law Center. Personal Interview. 26 Mar. 2021.
[cxxxiii] Sands, Christopher. Canada Institute, The Wilson Center. Personal Interview. 28 Apr. 2021.