

**Commercial Customs Operations Advisory Committee
Government Issue Paper
Rapid Response Subcommittee
United States – Mexico – Canada Agreement
Chapter 7 Working Group**

September 2023



**U.S. Customs and
Border Protection**

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Office of Trade/Trade Policy and Programs
Rapid Response Subcommittee
United States – Mexico – Canada Agreement Chapter 7 Working Group
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Action Required: Informational

Background:

- The United States – Mexico – Canada Agreement (USMCA) entered into force on July 1, 2020, replacing the North American Free Trade Agreement (NAFTA).
- The USMCA preserves the trilateral trade pact established by NAFTA and includes provisions to reflect developments in technology and trade practices, eased compliance requirements for the Rules of Origin (RoO) and added unique criteria for automotive RoO.
- The USMCA contains trade facilitation provisions to provide traders with transparency, consistency, and predictability in the customs process through additional advance rulings and publication of regulations, requirements, and fees.
- To assist with implementation of the USMCA, U.S. Customs and Border Protection (CBP) launched a Commercial Customs Operations Advisory Committee (COAC) USMCA Working Group to receive recommendations and concerns from the private sector related to the USMCA Chapter 7.
- The USMCA Working Group was reconvened in September 2022 after a brief hiatus.

Issue:

- The USMCA Working Group is responsible for providing opportunities for industry stakeholders to provide input, identify challenges, and engage with CBP on Chapter 7.

Current Status:

- The USMCA Working Group meets biweekly to discuss and identify potential gaps in the trilateral implementation of Chapter 7 provisions and is compiling recommendations for consideration at the trilateral 7.24 Committee on Customs Administration and Trade Facilitation.
 - The U.S. Government lead for this committee is the Office of the United States Trade Representative (USTR).
- CBP has created numerous compliance guidance resources, including:
 - Implementing instructions and an addendum to cover provisions from the *Consolidated Appropriations Act of 2021*;
 - More than 50 USMCA Fact Sheets and Free Trade Agreement “Side-by-Sides”; and
 - A USMCA webpage, a “frequently asked questions” webpage, informational videos, a ChatBot Search Engine, and the USMCA inbox (usmca@cbp.dhs.gov).
- CBP continues its robust partnership with the U.S. Department of Labor – Wage and Hour Division, which has involved weekly meetings and policy coordination as well as working level question and answer sessions to aid the implementation of the automotive RoO.
- CBP facilitates USMCA Working Group meetings in coordination with COAC members and industry stakeholders.

Next Steps:

- The USMCA Working Group will continue to formulate suggestions for the U.S. Government policy lead, USTR, on implementation of key USMCA Chapter 7 customs-related provisions.

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