



NAFTA 2.0  
USMCA

*Driving San Diego Business*

# Timeline & Process

- ✓ November 30, Signing of the Agreement
- ✓ Review & Approval by legislative branches of 3 countries
- ✓ Implementation

# Revised and Improved

- ✓ Preserves TN Visa
- ✓ Improves Customs Processing
- ✓ Stronger Intellectual Property Rules
- ✓ Access to Mexico's Energy Market
- ✓ Enforceable Labor & Environment regulations
- ✓ Support for Small and Medium Size Enterprises
- ✓ Bans duties on digital trade
- ✓ Prohibits Currency Manipulation

# Customs & Trade Facilitation

- ✓ Improves efficiencies
- ✓ Codifies recent enhancements such as Unified Cargo Processing, single-window, electronic submissions
- ✓ Provides for a private sector advisory council to CBP

# Intellectual Property Rules

- ✓ Sets the highest standards for strong intellectual property rules out of any agreement
- ✓ Enhanced protections from the theft of trade secrets
- ✓ Increases patent protection for biologics to 10 years and
- ✓ Copyright protections to 70 years.

# Labor & Environment

## Contains strongest labor and environmental regulations

- ✓ Incentives wage increases in Mexico
- ✓ Commits Mexico to passing legislation recognizing rights of workers to unionize
- ✓ Restricts fish subsidies – addressing overfishing, improving sustainability
- ✓ Provisions addressing marine litter

# Auto Sector

## Incentivizes production in North America

- ✓ Increases regional content requirement for autos from 62% to 75%
- ✓ Requires 70% of a vehicle's steel and aluminum must originate in North America

# Agreement on Controversial Issues

- ✓ Sunset Clause
  - Allows for termination in 16 years vs. 5 years
- ✓ Chapter 19
  - Dispute resolution protocol remains intact
- ✓ Dairy Industry
  - Expands U.S. access to the dairy market
- ✓ De Minimis
  - Duty free cap increased on U.S. exports



# Drawbacks

- ✓ New requirements on automotive sector will likely result in an increase in price for cars
- ✓ Sunset clause
- ✓ Tariffs on steel & aluminum remain in effect

# A Model for Future Agreements

✓ China

✓ Japan

✓ EU

✓ Africa