





Below is a summary of key issues raised and arguments made in the meetings hosted by the Wilson Center.

Rules of Origin (ROO) for the vehicles sector: USMCA established a complex set of “rules of origin”



additional foreign-direct investment, as potential investors in other sectors worry that the rules of the game for any given sector might also be changed by the government. All of this, they argue, will stunt job creation in Mexico.

Stakeholders and trade experts contended (including in a [paper](#) the Wilson Center published) that the Mexican government's moves violate several portions of USMCA designed to protect investors, including sections that do not allow favoring state-owned enterprises over private enterprises. They added that the proposed Mexican laws also likely violate Mexico's commitments in the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership and the Mexico-EU trade agreement. However, investor-state provisions of NAFTA remain in place for the first three years of USMCA, so private investors who believe they are damaged by Mexican government policy changes could file cases under the NAFTA provisions.

Stakeholders expressed hope that the US government will forcefully pursue concerns about USMCA violations with the Mexican government. The USG has raised concerns privately with the Mexican government, but the extent of the discussions is not clear. Mexico's potential violations will likely be a problematic area going forward, as strengthening the Mexican State's role in energy is a priority for AMLO in the final three years of his presidential term.

To offset energy policy differences, some participants suggested that the U.S. and Canada seek to revitalize a positive trilateral energy dialogue that could look at such issues as renewable energy development, energy efficiency, sustainable development, and emissions reductions. Cooperation in these areas could give Mexico more incentive to find more attractive options for U.S. and Canadian energy investors.

Border Management Issues regarding commerce, health, and travel: The pandemic brought home clearly that cross border trade includes far more than the trade provisions in USMCA. As borders and workplaces were closed and restricted for health reasons, suppliers and governments quickly discovered that there was much that was not known or frequently discussed about the supply chains that were vital for maintaining production of "essential" products. While many challenges for essential supply chains were worked through relatively quickly, stakeholders stress that it is far from clear that governments have a deep enough understanding of existing supply chains, nor have they established mechanisms needed to work through emergency situations that could arise in the future.

Participants stressed the need to revive and maintain regular public health dialogues like those that had been developed in earlier cross border health crises. These could help ease any future health-connected bottlenecks at the border.

Another set of issues that needs to be addressed include border management at ports of entry and the development of modern border infrastructure. These issues go beyond USMCA parameters, participants noted, and have been on the table for years, involving several USG and Mexican agencies, but they cannot and should not be left aside as they are vital to the smooth and improved functioning of commerce across both the northern and southern borders under USMCA. Participants raised a long list of issues related to functionality at the borders including eliminating bottlenecks, reducing wasted "wait time," extending hours of operation and the need for more digitalized procedures. These issues need to be addressed in parallel with USMCA implementation and given the high-level attention and funding required to boost the good competitiveness effects sought with USMCA.

In a related area, representatives of the travel and tourism industry reported a dire need for more coordination among governments and the private sector to facilitate a smooth recovery from the pandemic



and to “build back better” to move



committee is to provide to ministers “advice and recommendations ... to further enhance the competitiveness of the North American economy.” The Committee has a broad [mandate](#) to “develop cooperative activities in support of a strong economic environment that incentivizes production in North America, facilitates regional trade and investment, enhances a predictable and transparent regulatory environment, encourages the swift movement of goods and the provision of services throughout the region, and responds to market developments and emerging technologies.” Many participants see this as an opportunity for considering broader issues as well, but this can greatly help keep the three economies globally competitive in the years ahead. While acknowledging some opposition to this broader mission within the trade bureaucracy,



Environment: While this is a priority area for the U.S. and Canada, it is less so for Mexico. The USMCA chapter on the environment was not as ambitious as it could have been in part because of the Trump Administration’s priorities. It does not incorporate climate change, for example. It remains to be seen how the Biden Administration might try to incorporate climate change and greener energy and technologies in USMCA work going forward. Some participants see potential for engaging the Mexicans on environmental topics moving forward.

North America Leaders Summits (NALS): USMCA is a trade agreement overseen directly by the three