



US-Mexico-Canada Agreement (USMCA) Joint Review

July 1, 2026

Key Highlights

- The US notified Mexico and Canada it does not wish to renew USMCA
- USMCA will remain fully in force for the next 10 years and will sunset July 1, 2036, absent an agreement between the three parties to renew the deal
- The three parties will meet on an annual basis to seek consensus on extending the pact for another 16 years – which would reset the six-year review cycle
- The US and Mexico will hold a third round of bilateral discussions the week of July 20
- The US and Canada have not yet initiated formal negotiations

Review Outcome

On July 1, the United States, Mexico, and Canada convened for the six-year joint review of the United States-Mexico-Canada Agreement (USMCA). The agreement – which entered into force July 1, 2020 – stipulates the three parties must convene on the sixth anniversary of the deal to determine whether to renew it for a 16-year period (through 2042) or enter a 10-year sunset period under which the agreement will expire in 2036.

Today, the United States notified Mexico and Canada it **does not wish to renew the deal**, triggering the 10-year sunset provision. Importantly, **USMCA will remain fully in force** during the 10-year sunset window, **expiring on July 1, 2036**. During that period, the three countries are required to hold annual reviews to negotiate potential extensions or revisions. Those reviews provide an opportunity to assess the agreement's performance, propose changes, and seek consensus on either extending the pact for another 16 years – which would reset the six-year review cycle – or adopting negotiated amendments. If no agreement is reached by 2036, USMCA will officially expire. This review and sunset process is distinct from the agreement's withdrawal provision, which allows any party to terminate its participation by providing six months' notice.



In a [statement](#), USTR noted “The *Agreement between the United States of America, the United Mexican States, and Canada* (USMCA or “Agreement”) requires the USMCA Free Trade Commission, composed of government representatives of each Party, to conduct a joint review of the Agreement on July 1, 2026. In accordance with the Agreement, the United States, Mexico, and Canada met virtually today to discuss the operation of the USMCA. The United States did not agree to renew the USMCA in its current form. As a result, the USMCA is not renewed. The United States will continue to engage with Mexico and Canada to address the Agreement’s shortcomings and our trade deficits with these countries. However, the Agreement remains in force pending resolution of these issues or until the Agreement’s termination. As previously announced, the United States will meet with Mexico the week of July 20 for a third round of bilateral negotiations related to the USMCA joint review.”

In recent months, Administration officials have [suggested](#) the President is dissatisfied with the outcomes of USMCA, particularly with respect to autos and steel and aluminum. The Administration has also cited concerns regarding the increased trade in goods deficit with Mexico since USMCA entered into force in 2020. In April, Ambassador Greer [acknowledged](#) there are several “load-bearing pillars” in USMCA, which “people don’t think too much of because they function . . . so there are certainly things in there that are valuable.” However, he noted the Administration believes it should negotiate separate protocols with Mexico and Canada to deal with issues specific to those countries, which “we can layer over the load-bearing pillars.”

Key US Priorities for Review

In a [report](#) to Congress in December, Ambassador Greer indicated “the Joint Review will depend on the successful resolution of the following, non-exhaustive, list of issues,” which included:

Mexico

Rules of Origin and Supply Chain Security

Ambassador Greer [identified](#) rules of origin and supply chain security as top priorities in the review, noting a close US-Mexico relationship requires ensuring goods are “actually from the US and Mexico.” In the first bilateral round of USMCA review discussions in March 2026, Ambassador Greer and Mexico Economy Secretary Ebrard directed negotiators to begin scoping measures to reduce regional dependence on outside-party imports and strengthen rules of origin. The Trump Administration [highlighted](#) Mexico's failure to impose sufficient measures against non-market policies and practices, though it acknowledged Mexico took a limited step on January 1, 2026, by imposing tariffs of up to 50 percent on 1,465 products from countries with which it lacks a free trade agreement. US industry groups have [urged](#) USTR to tighten rules of origin to prevent foreign firms

from using Mexico as a staging ground to evade US tariffs and exploit gaps in the agreement's content requirements.

Labor Law Enforcement

Mexico's Chamber of Deputies passed legislation in 2024 to grant the Federal Center for Conciliation and Labor Registration (CFCRL) sanction authority over employers who violate labor law, but the bill stalled in the Senate. An October 2025 Senate counter-bill moved in the opposite direction, stripping existing CFCRL authorities and eliminating sanctions for unions that violate workers' rights. In October 2025, the Independent Mexico Labor Expert Board (IMLEB), created by Congress to monitor Mexico's labor reform compliance, found for the first time that Mexico is not in compliance with its USMCA labor obligations. The Trump Administration separately described concerns with Mexico's enforcement of labor law enforcement, particularly regarding restrictions on the importation of forced labor produced goods.

Environmental Law Enforcement

Ambassador Greer has identified environmental law enforcement as a condition for successful resolution of the review. In August 2025, USMCA's Commission for Environmental Cooperation released data confirming Mexico's failure to enforce its fisheries and wildlife laws. Specifically, the Commission indicated illegal fish trafficking in the Upper Gulf of California continues largely unabated despite a 2020 ban. The US initiated environmental consultations with Mexico on the vaquita porpoise extinction in February 2022, but no enforcement action has followed. In March 2026, Sen. Sheldon Whitehouse (D-RI) led 21 Senate Democrats in urging Greer to strengthen the environmental chapter in the review, calling the failure to hold Mexico accountable for illegal fishing a "glaring example" of inadequate USMCA enforcement and proposing an environmental rapid response mechanism (RRM) modeled on the labor RRM.

Mexican Energy Policies

In July 2022, the US and Canada jointly requested USMCA dispute settlement consultations with Mexico, alleging policies favoring state-owned CFE and Pemex over private and foreign competitors violated Mexico's market access and state-owned enterprise commitments. Those consultations never produced a resolution and remain pending. In October 2024, Mexico enacted a constitutional reform reclassifying CFE and Pemex as public enterprises and guaranteeing CFE dispatch precedence over all private sector generators, while eliminating independent energy regulators. President Sheinbaum followed with a March 2025 energy reform package mandating CFE ownership of at least 54 percent in any mixed-investment electricity generation projects, strengthening preference for CFE over private entities. Ambassador Greer explicitly named energy as an area of Mexican non-compliance and the Administration has highlighted overdue Pemex receivables to US companies as of December 2025 as an additional concern heading into the review.

Common Food Name Protections

Under USMCA, the US secured protection for 33 common cheese names that US producers may continue to export to Mexico without conflict from European Union (EU) Geographical Indications (GI). In January 2025, Mexico and the EU concluded negotiations on a Modernized Global Agreement extending GI protection to 336 EU geographical indications covering cheeses, cured meats, and olive oil, and prohibits the use of qualifiers such as "kind," "type," or "style." US producers argue the new protections go beyond the 33 names secured under USMCA and threaten market access for common names not on that list. In December 2025, Ambassador Greer identified Mexico's

geographical indications for European meat and cheese terms as a priority for the review, warning they threaten US market access.

Annual Spectrum Use Fee

Mexico's Federal Telecommunications Institute and private sector actors submitted multiple proposals to lower spectrum use costs, each of which was dismissed by the Mexican government. The Trump Administration outlined the issue and noted the US continues to press Mexico to revise its fee structure and address the dominant supplier's market power.

Treatment for US Electronic Payment Service Suppliers

In September 2023, Mexico's competition authority COFECE identified barriers to competition in the card payment processing market and issued recommendations to Banxico and the CNBV to restore competitive conditions; those recommendations were not implemented. In October 2025, the CNBV and Banxico published draft regulations on card payment networks, and in December 2025, Banxico published draft clearinghouse regulations for public consultation, neither of which resolved the barriers COFECE identified. In February 2026, the CNBV withdrew the draft card payment network regulations to conduct further market analysis, while Banxico did not withdraw its clearinghouse draft. The Trump Administration called on Mexico to revise both sets of draft regulations before finalizing them and indicated the US continues to urge Mexico to facilitate a competitive market for US electronic payment suppliers.

Restrictions on Mexican Customs Brokers

In January 2026, Mexico's Customs Law reforms imposed strict liability on customs brokers handling US exports to Mexico, significantly increased the volume of information required per import transaction, raised the potential penalty exposure, and expanded Mexico's Customs Agency authority to seize shipments. A significant number of Mexican customs brokers have been suspended in the past year, yet the exam and application process for licensing new brokers has not been opened since 2023, making brokers scarce. The new law also limits brokers not operating as part of a customs agency to four ports of entry, contrary to USMCA's prohibition on arbitrary port restrictions, and has not yet implemented a periodic payment option for express delivery shipments as USMCA requires. The US is working with Mexican authorities to resolve the port limitation and monitor implementation of a newly established Customs Council tasked with broker licensing oversight.

Seasonal Produce Imports

Ambassador Greer identified the adverse impacts of Mexican seasonal produce as a priority in the review. In July 2025, the US terminated the longstanding Tomato Suspension Agreement and imposed a 17.09 percent antidumping duty on most Mexican tomato imports. In early 2026, the Commerce Department and ITC initiated antidumping proceedings against fresh winter strawberries from Mexico following a complaint by the Strawberry Growers for Free Trade coalition, with a preliminary determination expected June 29, two days before the July 1 review deadline. The Trump Administration has signaled it intends to pursue seasonal antidumping measures tied to specific growing cycles, which Mexico's Business Coordinating Council has argued would violate both USMCA and WTO rules. In May 2026, a bipartisan group of Members wrote to Ambassador Greer, urging trade actions to safeguard US growers from unfair competitive pressures from Mexico.

Budget Shortfalls in Mexico's Electronic Single Window Program

In his December 2025 briefing, Ambassador Greer identified budget shortfalls in Mexico's VUCEM electronic single window as a specific concern heading into the review, arguing it violates Mexico's

USMCA commitments. The system has experienced recurring outages and contingency operations, drawing complaints about clearance delays and documentation errors at ports of entry.

Vulcan Materials Dispute

Vulcan Materials initiated USMCA arbitration against Mexico in 2018 after the revocation of its port concessions, and is separately seeking compensation through International Centre for Settlement of Investment Disputes (ICSID) arbitration following the May 2022 closure of its Quintana Roo limestone quarry on environmental grounds. In March 2025, 35 Republican lawmakers sent a letter to President Trump urging the Administration to press Mexico for a resolution. Sens. Bill Hagerty (R-TN) and Tim Kaine (D-VA) and Reps. August Pfluger (R-TX) and Terri Sewell (D-AL) introduced the bipartisan Defending American Property Abroad Act (H.R. 4577/S.2368), authorizing the President to impose sanctions on foreign governments that fail to compensate US companies for expropriated property. President Sheinbaum has proposed relocating Vulcan's operations to alternative sites outside the protected area, an offer Vulcan has rejected. In December 2025, Ambassador Greer cited Mexico's refusal to compensate Vulcan as a deficiency in Mexico's business climate ahead of the review.

Canada

Retaliatory Tariffs

Canada imposed retaliatory tariffs on US steel and aluminum in March 2025 in direct response to President Trump's Section 232 tariffs of 25 percent on Canadian metals, which were later increased to 35 percent. While Canada lifted broader retaliatory tariffs on non-metal US goods to support negotiations and recognize USMCA-compliant trade in September 2025, it maintained the 25 percent tariffs on targeted steel and aluminum products. Additionally, Canadian Prime Minister Mark Carney announced policies to support the Canadian steel industry, including prioritizing the use of Canadian materials in government contracts and further limiting foreign steel imports. Ambassador Greer has cited Canada's retaliatory tariffs on US steel and aluminum as a key obstacle to launching negotiations, noting Canada's response complicates efforts to resolve differences ahead of the 2026 USMCA joint review.

Market Access for US Dairy Products

In May 2021, the US requested a dispute settlement panel, alleging Canada's tariff rate quotas (TRQs) for dairy products violated USMCA commitments. The panel sided with the US in December 2021, which prompted Canada to revise its allocations. The US initiated a second panel to challenge the revised allocations, and the second panel sided with Canada. Members on both sides of the aisle sent a letter to the Administration in March 2025 raising concerns with Canada's administration of its TRQs for dairy and urging the Administration to address the issue in the upcoming USMCA negotiations. In December 2025, a second bipartisan letter, signed by more than 74 Members of Congress, urged strong enforcement of Canada's dairy commitments and called the 2026 review a critical opportunity to deliver the market access originally promised under USMCA. The US has suggested it would raise TRQ allocation issues as part of the review and could also raise Canada's milk class pricing policies. In June 2025, Canada prohibited any future increase in TRQs or decreases in over-quota tariffs for dairy, with Prime Minister Carney asserting supply chain management was "not on the table." Ambassador Greer listed dairy TRQ allocation among the issues he has discussed with Canada, and the Trump Administration's National Trade Estimate (NTE) Report characterized Canada's restrictions as severely limiting US exports over TRQ amounts.

Canada's Online Streaming and Online News Acts

In 2023, Canada passed the Online Streaming Act, requiring foreign streaming services to allocate five percent of their revenue to government-linked funds promoting Canadian content. The Trump Administration has characterized the law as discriminatory toward US industry, with Commerce Secretary Lutnick and Treasury Secretary Bessent criticizing it as "problematic" in July 2025. In March 2026, Rep. Lloyd Smucker (R-PA) and five other Ways and Means Republicans introduced legislation authorizing USTR to open a Section 301 investigation into whether the Online Streaming Act unfairly disadvantages US commerce, which could result in retaliatory duties or suspension of USMCA benefits. Additionally, the US is monitoring Canada's digital services tax, which Ottawa had not formally eliminated by the end of 2025, despite pledging to do so.

Provincial Bans on the Distribution of US Alcohol Beverages

Beginning in March 2025, several Canadian provinces, including Ontario, Quebec, and British Columbia, directed their provincial liquor control boards to remove US beer, wine, and spirits from store shelves in retaliation for President Trump's tariffs. Alberta and Saskatchewan subsequently reversed those measures, but restrictions in the remaining provinces have persisted. The Trump Administration identified the bans as a significant barrier to US exports and called for US alcoholic beverages to "immediately and permanently return to all provincial and territorial markets." In April 2026, Ambassador Greer testified before Congress that "there may have to be an enforcement action" to resolve the issue, and Commerce Secretary Lutnick characterized the bans as "outrageous." Prime Minister Carney has linked lifting the bans to the removal of US tariffs on Canadian steel, autos, and lumber.

Discriminatory Procurement Measures

In March 2025, Ontario, Quebec, and British Columbia implemented regulations restricting or prohibiting US businesses from participating in provincial procurement processes in retaliation for President Trump's tariffs, ranging from price penalties on US bids to outright exclusions. Ontario's Procurement Restriction Policy, retroactive to March 2025, bars public-sector organizations from contracting with US firms absent a sole-source justification; Quebec adopted a similar decree adjusting bid evaluations against US suppliers; and British Columbia enacted broad executive powers to restrict procurement under its Economic Stabilization Act. Canada also began implementing a federal Buy Canadian policy in December 2025, prioritizing Canadian businesses and materials on large federal contracts. The Trump Administration's NTE Report criticized the provincial measures as inconsistent with Canada's WTO Government Procurement Agreement commitments, and the US has pressed Canada through bilateral engagement to bring all provincial and federal procurement policies into compliance.

Complexity of the Customs Registration

In October 2024, the Canadian Border Services Agency (CBSA) launched the CBSA Assessment and Revenue Management (CARM) system, which requires Importers of Record (IORs) to register directly in the CARM Client Portal and post financial security, steps previously handled by customs brokers on an importer's behalf. Transition measures allowing unregistered commercial importers to rely on their brokers expired on January 1, 2026. US exporters have raised concerns about the resulting compliance burden, particularly for small and non-resident importers, as well as system outages and questions about whether customs data submitted through CARM is stored in a government-controlled system. The Trump Administration's NTE Report flagged these issues and indicated the US will continue to monitor the situation.

Unfair Treatment of Montana's Electrical Power Distribution Providers

The Alberta Electric System Operator (AESO) has made little progress in improving access to the Alberta energy market for Montana energy producers via the Montana-Alberta Tie Line (MATL), with US stakeholders asserting equally-priced power generated in Montana is deprioritized to benefit Alberta producers. In February 2024, Berkshire Hathaway Energy Canada filed a complaint with the Alberta Utilities Commission alleging AESO was limiting electricity imports from Montana and jeopardizing cross-border investment. In July 2025, Sens. Steve Daines (R-MT) and Tim Sheehy (R-MT) and Reps. Ryan Zinke (R-MT) and Troy Downing (R-MT) sent a letter to Ambassador Greer calling on USTR to address the AESO's discriminatory practices, warning proposed market reforms could further exclude US energy imports. Ambassador Greer highlighted the issue in his December 2025 briefings to the Senate Finance and House Ways and Means Committees, and the Trump Administration's NTE Report noted AESO has made little progress on the issue while monitoring ongoing power market reforms. Alberta's Utilities Minister has disputed the characterization, maintaining AESO applies grid rules equally to all suppliers.

Canada and Mexico

Rules of Origin, Content Requirements, and Tariffs for Automotives

In 2025, the Trump Administration imposed 25 percent tariffs on Canadian and Mexican vehicles and components, and ultimately increased duties on steel, aluminum and copper to 50 percent. Goods that meet USMCA automotive rules of origin are afforded preferential treatment such that Section 232 tariffs apply only to the non-US (Mexico, Canada, and elsewhere) content of the vehicle. The US has advocated for strengthening automotive rules of origin under USMCA by increasing North American content requirements and incorporating a US content requirement. Recent reporting suggests the Trump Administration seeks to raise the level of regional content in North American-built cars and trucks to from 75 to 82 percent to qualify for USMCA preferences, with 50 percent of the value produced in the US. Notably, the proposal reportedly did not incorporate Canadian content in the revised totals. Additionally, Ambassador Greer indicated vehicles assembled in Mexico and Canada would still likely be charged some level of tariffs.

Rules of Origin for Non-Automotive Industrial Goods

In December 2025, Ambassador Greer identified strengthening rules of origin for non-automotive industrial goods as a top priority, asserting reforms are necessary to ensure trade benefits flow substantially to the US, Mexico, and Canada rather than non-market economies like China. In March 2026, Ambassador Greer and Mexican Economy Secretary Ebrard launched bilateral review discussions and directed negotiators to focus on measures ensuring agreement benefits accrue primarily to the parties, including by reducing regional dependence on imports from outside North America. Industry groups have pushed for the same outcome, citing concerns of foreign companies using Mexico as a platform to evade US tariffs. A bipartisan group of New Democrat Coalition members separately urged Ambassador Greer in a November 2025 letter to build on USMCA's existing rules-of-origin framework.

Economic Security Alignment on Tariffs, Export Controls, and Investment Screening

In December 2025, Ambassador Greer identified enhancing economic security alignment on tariffs, export controls, and investment screening as a priority for the review, asserting a rubberstamp of the agreement was not in the national interest given the deal's shortcomings. Canada and the US both maintain investment screening mechanisms for national security purposes, but Mexico has yet to establish a comparable framework despite earlier commitments to the Biden Administration to do so. In May 2026, House Ways and Means Committee Democrats wrote to Greer urging USTR to use the review to strengthen cooperation between the US and Canadian investment screening regimes,

support development of a similar regime in Mexico, and coordinate on Section 232 national security tariffs across all three countries.

Offshoring of US Production to Mexico or Canada

In December 2025, Ambassador Greer identified developing mechanisms to penalize offshoring of US production to Mexico or Canada as a result of regulatory and other arbitrage as an Administration priority for the review. House Ways and Means Committee Democrats, in a May 2026 letter to Ambassador Greer, identified US investment in Mexico as an example of "regulatory or wage arbitrage," but called for evaluating and clarifying rather than strengthening rules of origin. In a separate May 2026 letter led by Sen. Tammy Baldwin (D-WI), 15 Senate Democrats cited the \$3-to-\$5-per-hour wage gap in Mexican manufacturing as a driver of continued offshoring and demanded the review deliver measurable gains for US workers.

Development of a Critical Minerals Marketplace

In December 2025, Ambassador Greer stated the US plans to develop a critical minerals marketplace as part of USMCA review, aimed at encouraging mining, processing, recycling, reuse, and manufacturing of critical minerals among the three countries; he did not provide further details on implementation or operation.

Forced Labor Import Bans

In March 2026, USTR initiated Section 301 investigations into 60 economies, including Canada and Mexico, over failure to effectively enforce forced labor import prohibitions. In June 2026, USTR released its report, finding Canada and Mexico among the economies that "failed to effectively enforce" their bans, and proposed additional duties of 10 to 12.5 percent depending on classification; a comment period runs through July 6, 2026, with hearings set for July 7. The Trump Administration's NTE Report separately alleged Canada has failed to prevent forced-labor goods from third countries from entering the US market through its territory. House Ways and Means Committee Democrats, in a May 2026 letter to Ambassador Greer, and 69 House Democrats led by Rep. Debbie Dingell (D-MI) in a November 2025 letter, both called on USTR to use the review to secure full enforcement of both countries' forced labor import bans.

Next Steps

In the months leading up to the joint review, the US has engaged Canada and Mexico on a broad range of trade and economic issues through both formal and informal bilateral discussions. As previously mentioned, the Administration has signaled its intent to negotiate two separate protocols with Canada and Mexico to deal with issues specific to those countries, which "we can layer over the load-bearing pillars" of the agreement. While the July 1 virtual meeting did not produce substantive outcomes, we expect negotiations with both Mexico and Canada to intensify in the coming months.

To date, US and Mexican negotiators have held two formal negotiating rounds. The first bilateral negotiating round was held in Mexico City on May 28, focused on automotive rules of origin, steel and aluminum, economic security, and regulatory compatibility. The second US-Mexico negotiating round was held in Washington, D.C. on June 16-17 to discuss agriculture and a "level playing field," including restrictions on biotech corn, Mexico's policies providing preferential treatment for state oil company Petroleos Mexicanos (Pemex) and national power utility Comision Federal de Electricidad (CFE). The two sides also advanced discussions on rules of origin for certain industrial goods and economic security, and began conceptual discussions on agriculture, labor, and environment. The

teams also discussed trade in steel, aluminum, and automobiles. US and Mexican negotiators will convene for a third round the week of July 20.

Meanwhile, Ambassador Greer has not launched formal negotiations with Canada, though he has engaged in discussions with his Canadian counterpart, trade minister Dominic LeBlanc, and Canada's Chief Trade Negotiator Janice Charette. Ambassador Greer has cited Canada's retaliatory tariffs on US steel, aluminum, and autos and provincial restrictions on US wine and spirits as a key obstacle to launching negotiations. Minister LeBlanc suggested talks were "unfrozen" following a meeting with Ambassador Greer on the sidelines of the G7 Summit in mid-June; however, the timeline for a first formal US-Canada negotiating round remains unclear.