North American Strategy for Competitiveness, Inc.
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Building connections. Strengthening supply chains. Shaping a stronger North America

September 17, 2025

Mr. Daniel Watson
Assistant U.S. Trade Representative for the Western Hemisphere
Office of the U.S. Trade Representative

Re: FR Doc. 2025-18010

Dear AUSTR Watson,

The United States–Mexico–Canada Agreement (USMCA) is more than just a trade pact; it is the backbone of North America's economic strength and strategic resilience. At a time when global supply chains are under increasing strain and adversarial nations are seeking to undermine U.S. competitiveness, the trilateral nature of the USMCA is indispensable. Maintaining strong, coordinated ties among the United States, Mexico, and Canada ensures that our industries remain integrated, our markets remain open, and our shared values are defended.

For U.S. manufacturers, the benefits of a united North American market are clear: reliable supply chains, access to critical inputs, and expanded opportunities to innovate and grow. A trilateral USMCA reduces dependence on external powers for essential goods, strengthens domestic job creation, and reinforces America's industrial base. Beyond economics, this integration directly supports U.S. national security, giving our country and our allies greater control over critical technologies and resources at a moment when global competitors are intent on exploiting vulnerabilities.

The United States cannot carry the full weight of production and supply on its own. Modern manufacturing and security depend on deeply integrated supply chains that cross borders, with each North American partner contributing unique strengths. Canada provides critical natural resources, energy, and advanced technology capabilities; Mexico brings a skilled workforce and essential manufacturing capacity that keeps costs competitive; and the United States supplies world-class innovation, capital, and industrial leadership. Together, this trilateral ecosystem makes North America far more resilient and competitive than any one nation could be in isolation. Any attempt to "go it alone" will raise costs, weaken our global position, and expose us to greater risks from adversaries eager to exploit supply chain gaps. By relying on one another, we ensure that the whole of North America is stronger than the sum of its parts.

By working in concert, North America can set global standards, push back against unfair trade practices, and present a united front that magnifies our economic influence and strategic leverage. A strengthened USMCA will allow us to advance both prosperity and security, ensuring that the United States and its partners remain leaders in an increasingly contested global landscape.

North American Strategy for Competitiveness (NASCO) is a unique tri-national coalition that brings together business leaders, policymakers, academic institutions, and workforce organizations from across Canada, the United States, and Mexico. With decades of experience promoting cross-border collaboration and advancing supply chain efficiency and security, NASCO has established itself as the premier voice for operational competitiveness in North America.

Our recommendations are specific and detailed, and they reflect the collective expertise of stakeholders who work daily at the intersection of trade, transportation, and workforce development. NASCO's insights are grounded in real-world operations and informed by the needs of companies and communities across all three countries. Our proposals are aimed at strengthening economic growth, securing our supply chains, reducing trade frictions, and enhancing North America's position in the global marketplace.

As we look ahead to the 2025/2026 review, the United States, Canada and Mexico have a critical opportunity to strengthen our North American partnership. The USMCA must remain a trilateral agreement, binding the three nations together in common cause. Doing so will fortify U.S. manufacturing, secure our supply chains, and give us greater leverage in the global economy. Just as importantly, a unified North America presents a powerful strategic front against adversaries who seek to undermine our economic and national security. By recommitting to a stronger, forward-looking USMCA, we ensure that this agreement remains not only an engine of prosperity but also a shield of resilience and competitiveness for generations to come.

NASCO stands ready to assist your Administration in any way to further the objectives of strengthening our North American trading region.

You may reach me any time at tiffany@nasconetwork.com or directly at 214-587-9507. I am also happy to connect you with our NASCO members with subject matter expertise specific to the recommendations below.

Sincerely,

Tiffany Melvin
President
North American Strategy for Competitiveness, Inc.

cc: Global Affairs Canada

Secretaria de Economia

Recommendations

1. Streamline and Eliminate Regulatory Barriers to Enhance North American Trade Competitiveness

- Launch a trilateral task force to identify and eliminate redundant or conflicting regulations that impede the free flow of goods, services, and labor.
- Encourage the use of regulatory impact assessments before adopting new policies that could fragment the North American market.
- Pursue regulatory harmonization in key industries such as pharmaceuticals, agriculture and food products, clean tech, automotive, and fintech.
- Adopt mutual recognition agreements where feasible to avoid duplicate certification and approval processes.
- Harmonize technical standards and certification processes, especially in automotive, electronics, and agriculture, to streamline compliance and reduce costs.
- Standardize customs documentation across the U.S., Canada, and Mexico to reduce administrative burdens and delays.
- Re-evaluate rules of origin requirements, particularly in the automotive sector, to ensure practicality and reduce burdens.
- Eliminate redundant regulatory measures that do not contribute to product safety or quality.
- Invest in border infrastructure modernization (e.g., smart gates, faster inspection technologies, RFID scanners).
- Expand pre-clearance programs (FAST and C-TPAT) to reduce inspection times for trusted shippers.
- Implement joint customs inspections at high-traffic ports of entry.
- Enhance transparency and stakeholder engagement between regulators, industry, and trade partners.
- Expand mutual recognition agreements (MRAs) for certifications and inspections.
- Adopt a unified digital trade platform for real-time customs data sharing and clearance processing.
- Automate compliance procedures through AI and blockchain verification.

2. Safeguard Cross-Border Business Mobility (B-1 Visas)

- Streamline B-1 visa renewals for drayage drivers operating exclusively in U.S.–Mexico commercial border zones to prevent freight delays.
- Eliminate new English language testing requirements for these drivers that add no value to safety or supply chain efficiency.
- Establish multi-year renewal options for vetted operators to reduce seasonal congestion at ports of entry.
- Integrate cross-border trucking mobility provisions into the upcoming USMCA review to safeguard the efficiency of North American freight corridors.

3. Facilitate B-1 Visa Mobility for Specialized Manufacturing Personnel

- Clarify and standardize B-1 visa eligibility for short-term deployment of technical and manufacturing experts across borders.
- Expand recognition of after-sales service, installation, and training as permissible B-1 visa activities to ensure consistent interpretation.
- Create expedited entry procedures for trusted companies to deploy personnel rapidly for equipment installation or emergency repairs.
- Incorporate talent mobility into trilateral competitiveness strategies to strengthen North America's supply chain resilience.

4. Develop Established Communication Protocols for Public and Private Sector Stakeholder Input for All Matters That Could Disrupt Supply Chain Network Capabilities

Applicable to any matter that could interrupt supply chain network capabilities at Ports of Entry. The USA, Canada and Mexico cannot have POE operations disrupted by outliers without having established protocols as they were proposed under Decision 5 of the Free Trade Commission in 2024.

5. Improve Rules of Origin and Supply Chain Resilience

- Review and refine automotive and industrial rules of origin to balance compliance feasibility and regional competitiveness.
- Coordinate incentives for regional production of critical technologies and minerals, particularly in clean energy and semiconductors.
- Enhance trilateral collaboration on supply chain security and crisis response.
- Ensure strict enforcement of rules of origin to protect North American manufacturing.
- Establish trilateral cooperation to secure critical goods such as semiconductors, minerals, defense technologies, and pharmaceuticals.
- Expand North American energy integration through cross-border infrastructure and harmonized regulations.
- Advance trilateral digital trade and cybersecurity standards.
- Create a Trilateral Industrial Competitiveness Council to align policy and coordinate advanced manufacturing strategies.

6. Foreign Trade Zones (FTZs)

- Address duty deferral restrictions in Article 2.5 that hinder exports from U.S. FTZs.
- Revise rules preventing FTZ manufacturers from leveraging rules-of-origin provisions.
- Remove restrictions that prevent U.S. FTZs from achieving their full potential to promote exports and strengthen U.S. manufacturing.

7. Modernize Trade Facilitation and Customs Procedures

- Require essential private sector input and participation in border technology and infrastructure projects.

- Leverage modern and future technologies.
- Standardize customs documentation across the U.S., Canada, and Mexico to reduce administrative burdens and delays.
- Adopt a unified digital trade platform for real-time customs data sharing and clearance processing.
- Automate compliance procedures through AI and blockchain verification.
- Promote e-invoicing and digital certificates of origin to replace paper-based processes.
- Digitize and harmonize customs processes, including documentation, risk management, and shipment tracking.
- Address bottlenecks at key border crossings.
- Strengthen enforcement mechanisms against illicit trade, counterfeit goods, and origin fraud.
- Enhance cybersecurity harmonization in customs systems among the three countries.

8. Port Infrastructure Improvements

- Require private sector engagement and dialogue with all international trade stakeholders and CBP to enhance Port of Entry operations and infrastructure projects.
- The USA should work closer with Mexico and Canada in the planning of binational infrastructure for the North American region.
- Encourage Public Private Parternships (PPP's) to support growing demands of infrastructure needs that may be limited by public funding requests - including staffing and operational funding.
- Expand federal funding for port infrastructure to reduce burdens on local communities.
- Support bridges, freight corridor connections, inspection booths, FAST lanes, and administrative offices.
- Invest in smart technologies (e.g., RFID scanners, faster inspection systems).

9. Modernize Digital Trade Rules

- Strengthen rules on cross-border data flows while maintaining high cybersecurity standards.
- Address AI regulation, algorithmic accountability, and digital platform practices.
- Encourage interoperable digital governance frameworks among all three countries.

10. Promote Agricultural Trade Stability

- Resolve disputes on dairy access, seasonal produce, and biotech through fair, science-based approaches.
- Harmonize sanitary and phytosanitary standards to ensure food safety without impeding trade.
- Expand cooperation on agricultural innovation and food supply resilience.

11. Support Small and Medium Enterprises (SMEs)

- Expand SME-focused funding and capacity-building programs.
- Create a North American Innovation Network to support SMEs in emerging industries.

- Reduce compliance burdens by simplifying processes and documentation.

12. Reinforce Dispute Resolution Mechanisms

- Ensure functionality and impartiality of dispute settlement panels.
- Address issues of non-compliance and appointment delays.
- Increase transparency and private sector participation.
- Establish a North American trade council to coordinate regulatory updates.
- Create cross-border logistics task forces to address bottlenecks.
- Streamline licensing and permitting by consolidating requirements across jurisdictions.

13. Canada-Specific Recommendations

- Align Canadian product standards with U.S. and Mexican counterparts.
- Expand mutual recognition agreements with U.S. regulatory bodies (e.g., FDA, DOT).
- Simplify bilingual labeling mandates for goods primarily exported to English-speaking markets.
- Integrate with the U.S. Single Window Initiative (SWI).
- Accelerate digitization of CBSA processes (e.g., e-declarations).
- Enhance trusted trader programs like Partners in Protection (PIP).
- Invest in key trade corridors (e.g., Windsor-Detroit, Pacific Highway, Houston-Alberta–Prince Rupert)).
- Co-locate customs facilities and enable joint inspections.
- Streamline wait-time data sharing to reduce congestion.
- Harmonize trucking regulations (e.g., axle weights, emissions, driver qualifications).
- Reduce interprovincial transport barriers.
- Facilitate cabotage reform discussions.
- Reduce duplication between federal and provincial compliance agencies.
- Consolidate permitting processes into a single digital window.
- Provide regulatory clarity and stability for investors.
- Reduce Canadian corporate income tax for incremental exports to Mexico and the U.S.
- Establish provincial tax credits to incentivize increased exports.
- Prioritize freight movement alongside security.
- Expand technology use for inspections at borders.

14. Mexico-Specific Recommendations

- Align technical standards and certifications with U.S. and Canadian agencies.
- Expand mutual recognition agreements (MRAs).
- Simplify labeling and product registration requirements.
- Modernize SAT systems for faster clearance and integration with CBP/CBSA.
- Improve the efficiency of SAT, specifically the long delays for appointments and the difficulty with obtaining an RFC (taxpayer number), changing domiciles, getting a FIEL (electronic signature), etc.
- Streamline bureaucratic layers across SAT, SEMARNAT, and COFEPRIS.

- Reverse Mexico's strategy to aggressively fight all VAT reimbursements.
- Eliminate Mexico's attack on CIVA (Value Added Tax Certification] for IMMEX companies
- Reverse Mexico's strategy to reject more IMMEX programs (maquila).
- Lack of rules or access for foreign carriers to access and comply with the supplemental bill of lading requirements.
- Fully digitize customs documentation and tracking.
- Expand FAST lanes and Certified Companies Program (NEEC).
- Invest in high-volume crossings (e.g., Laredo, Tijuana, Ciudad Juárez).
- Develop binational infrastructure projects with the U.S.
- Expand cold-chain and bonded warehouse capacity.
- Standardize truck weight and emissions regulations.
- Improve road and rail connectivity from industrial hubs to borders.
- Reduce permitting delays for cross-border freight.
- Create one-stop digital trade platforms for exporters.
- Enhance inter-agency coordination to reduce redundant inspections.
- Increase training for customs and logistics personnel.
- Promote supply chain certification programs (e.g., CTPAT, ISO).
- Expand English-language capabilities and cross-border literacy.
- Strengthen implementation of USMCA provisions, especially digital trade and SME participation.
- Reduce restrictions on foreign investment in domestic carrier services.
- Coordinate environmental and labor compliance standards.
- Remove blanket fumigation requirement for Canadian grain imports.
- Implement 24/7/365 shipment release processes.
- Expand Mexico's Authorized Economic Operator (AEO) program.
- Enhance rail trade facilitation and parity (e.g., mutual recognition of air brake inspections, international crews).
- International crews for cross border rail shipments should be acknowledged as highly effective, need to remain where they currently exist, and considered for expansion in other international rail crossing areas.
- Support modal shift from truck to rail for environmental and financing benefits.