

**Commercial Customs Operations Advisory Committee  
Government Issue Paper  
Rapid Response Subcommittee  
USMCA Chapter 7 Working Group**

**March 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 (USMCA) Chapter 7 Working Group**  
**March 2023**

**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, eases compliance requirements for the Rules of Origin (RoO) and adds 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.
- Chapter 7 of the USMCA, Customs and Administration and Trade Facilitation, creates a trilateral Committee on Trade Facilitation to implement the provisions of Chapter 7 (7.24 Committee).
- The Office of the United States Trade Representative (USTR) serves as the U.S. lead for the 7.24 Committee.
- To assist with implementation of the USMCA, CBP launched a Commercial Customs Operations Advisory Committee (COAC) USMCA Working Group (USMCA WG) to receive recommendations and concerns from the private sector related to trilateral implementation of Chapter 7 of the agreement.
- The USMCA WG's recommendations related to gaps in trilateral implementation will be forwarded to USTR for trilateral discussions with Canada and Mexico at the 7.24 Committee.
- The USMCA WG was reconvened in September 2022, after a brief hiatus.

**Issue:**

- The USMCA WG provides opportunities for industry stakeholders to provide input, identify challenges, and engage with CBP on the trilateral implementation of the USMCA's Customs Administration and Trade Facilitation Chapter (Chapter 7).

**Current Status:**

- The USMCA WG meets biweekly to identify, discuss, and compile potential gaps in the trilateral implementation of Chapter 7 provisions.
- The USMCA WG develops recommendations for improving these gaps in trilateral implementation of the Chapter 7 provisions.
- The USMCA WG recommendations will be forwarded to USTR for consideration at the trilateral 7.24 Committee.
- 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"

- A CBP.gov USMCA webpage, a “frequently asked questions” webpage, informational videos, a ChatBot search engine, and the USMCA inbox (USMCA@CBP.DHS.gov).
- Regulations were published on July 1, 2020, and July 6, 2021. Final regulations are pending.
- CBP continues its robust partnership with the U.S. Department of Labor (DOL) – Wage and Hour Division, which has involved weekly meetings, policy coordination, and working-level question-and-answer sessions to aid in the implementation of the automotive RoO.
- CBP facilitates USMCA WG meetings in coordination with COAC members and industry stakeholders.

**Next Steps:**

- The USMCA WG’s activities will include formulating suggestions for the U.S. Government policy lead, the Office of the U.S. Trade Representative, on implementation of key USMCA Chapter 7 customs-related provisions.

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