Since the U.S., Canada and Mexico entered into a trilateral free trade agreement in 1994, all three countries have seen dramatic increases in trade and job growth. U.S. exporters, especially, have benefitted from NAFTA, given that one-third of all American merchandise exports now goes to Canada or Mexico.

UPS recognized that the NAFTA needed modernization and fully supported negotiators' persistence in achieving an agreement that improves customs regulations, spurs e-commerce growth, and supports small and medium-sized businesses' regional and global supply chains. Simply put, the U.S.-Mexico-Canada Agreement (USMCA) will help take time, cost and complexity out of trade between the three countries. UPS encourages Congress to quickly pass the agreement so that American businesses can soon take advantage of a modernized North American trade environment.

We expect our customers and our own operations to benefit most significantly from five key chapters of the USMCA: Small & Medium-Sized Businesses (25), Customs Administration & Trade Facilitation (7), Digital Trade (19), Market Access (2) and State-Owned Enterprises & Designated Monopolies (22).

Small & Medium-Sized Businesses

- Canada and Mexico are the top two export destinations for U.S. small and medium-sized businesses (SMBs).
- The USMCA calls for robust cooperation between the U.S., Canada and Mexico to promote startups, rural and agricultural SMBs, as well as SMBs owned by women, indigenous peoples, youth, minorities and other underrepresented groups.
- The Agreement creates the “Committee on SME Issues” to promote the USMCA’s benefits for SMBs and to provide government support to entrepreneurs seeking international suppliers, buyers and other potential business partners.

Customs Administration & Trade Facilitation

- The USMCA modernized many facets of the customs processes in all three countries, including advanced rulings, simplified entry, risk management, single window, e-signatures and self-certification of origin.
- The agreement opens opportunities to further develop pre-clearance pilot programs between the U.S., Canada and Mexico.
- Canada raised its de minimis, and Mexico increased its level of informal entries. Additionally, Mexico harmonized its postal de minimis with that of the express industry, leveling the delivery services playing field.
Digital Trade

• The USMCA **safeguards cross-border data flows** for firms of every size and sector.
• The agreement guarantees the freedom to move data across borders and prohibits forced data localization.
• The USMCA protects the value of U.S. firms’ research and development -- and the IP produced in the process -- through robust IPR and emerging technologies provisions.
• A first in trade agreement history, the USMCA promotes a collaborative, risk-based approach to addressing cybersecurity challenges while promoting industry best practices to keep networks and services secure.

State-Owned Enterprises & Designated Monopolies

• The USMCA guarantees regulatory impartiality for state-owned enterprises (SOEs), **ensuring a competitive marketplace**.
• The agreement requires SOEs’ decisions to be commercially driven.
• The postal monopoly must be clearly defined, and postal entities can’t cross-subsidize competitive products with monopoly services.

Market Access

• In Mexico, American businesses maintained tariff-free market access for all goods exports.
• In Canada, U.S. exporters maintained **tariff-free access for nearly all American products** and now have fewer barriers in the agricultural sector.
• The USMCA prohibits import restrictions on manufactured goods.

UPS Supports Passage of the USMCA

**Trade is a cornerstone to UPS’s operations: we move 6% of U.S. and 3% of global GDP every day.**

**When the U.S. enters a trade agreement, UPS sees a 20% increase in export volume to the involved country(ies).**

**Every 22 packages that cross a border while in our network, supports a job at UPS.**