



November 3, 2025

Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Docket Nos. USTR-2025-0004 and USTR-2025-0005

To Whom It May Concern:

The United States-Mexico-Canada Agreement (USMCA) was one of the signature accomplishments of President Trump's first term in office. TechNet is pleased to submit comments to the Office of the U.S. Trade Representative (USTR) as part of its public consultation process in advance of the upcoming joint review on July 1, 2026. TechNet strongly supports maintaining key provisions of the USMCA in its current form. While TechNet offers recommendations for modernizing the agreement related to cybersecurity, artificial intelligence (AI), and compliance, TechNet believes that sweeping changes to the USMCA would undermine innovation, burden U.S. companies, and disrupt the stability in trade relations with its neighbors that the country has enjoyed since President Trump negotiated this historic agreement.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes over 100 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

I. Key Provisions to Preserve

Rules of Origin

TechNet strongly urges member countries to maintain the rules of origin in the current USMCA. The existing rules provide clarity and consistency for U.S. companies operating extensive cross-border supply chains across North America. The rules set predictable thresholds, giving businesses stability to plan investment and sourcing. Changing the rules now would introduce uncertainty at a time when global competition for advanced manufacturing and digital services is intensifying, potentially undermining the efficient integration of hardware, software, and components

production across the U.S., Canada, and Mexico. Maintaining the current framework reinforces U.S. competitiveness and job creation and preserves the integrated ecosystem in which emerging technologies can scale.

Digital Trade Chapter

The USMCA established the highest standard of digital trade commitments, which are critical to the modern, interconnected economy and must be maintained without degradation. USMCA Chapter 19 protects essential cross-border data flows, prohibits unjustifiable discrimination against digital goods and services, and safeguards proprietary source code and algorithms. These provisions ensure a unified digital market across North America, allowing U.S. technology companies to scale their digital services, compete globally, and support small and medium-sized enterprises (SMEs) in all three nations. Any attempt to weaken these core commitments would fragment the regional digital economy, inhibit innovation, and put North American companies at a competitive disadvantage globally.

Specifically, TechNet urges USTR to preserve Chapter 19.17 which codifies Section 230-style protections for digital platforms. This provision promotes open digital trade and innovation and protects freedom of expression by ensuring U.S. companies are not held liable for user-generated content across borders and instead placing liability on the bad actors that generated such content or exploited any feature for malicious purposes. TechNet also recommends establishing a mechanism under the USMCA for the member countries to exchange information, coordinate on new regulatory approaches for digital issues, and address issues of concern.

Tariff Status

TechNet believes that it is critical to maintain or restore tariff-free status for goods that qualify under the USMCA. The existing framework is intended to ensure duty-free treatment for originating products which provides the predictability that manufacturers, suppliers, and digital infrastructure companies need to plan investments and manage cross-border supply chains. Preserving current tariff exemptions strengthens integrated North American production, limits cost increases that could slow innovation, and reinforces the region's global competitiveness. TechNet further recommends exempting from existing or future Section 232 tariffs all goods, including derivative products, that otherwise qualify for USMCA preferential treatment.

Procurement Benefits

As the United States looks for ways to encourage diversification and resiliency in supply chains, the procurement preferences under the Trade Agreements Act of 1974 (TAA) are important for achieving that goal. Federal government procurement is one of the most powerful tools that the United States has to encourage resiliency in supply chains, due to the scale and volume of products that it purchases each year. An increasing volume of U.S.-bound electronics are manufactured in Mexico, which enjoys

TAA status through USMCA. The inherent economic advantages of Mexico's proximity to the U.S., its available workforce, and its status as a party to the USMCA ensure that the U.S. economy benefits and U.S. government agencies get the best IT products at the best price.

II. Protecting and Modernizing Supply Chains

To ensure the continued resilience and growth of critical digital infrastructure, TechNet urges USTR to update the USMCA to address the supply chain for data centers and reflect modern technology components. Specifically, TechNet recommends:

- Formally codifying specific sections of the Harmonized Tariff Schedule (US 9903.01.35-38) into the language of the USMCA,
- Amending US Note 11 (p) to include goods such as parts for devices of 8517.79 and 8517.62, server racks (9403.20), and expanding the definition of "computer power supplies" to cover all goods in 8504.40,
- Securing the mutual recognition of test reports and certifications, and
- Specific to Mexico, reducing restrictions on importing uncertified devices for development and testing, and eliminating transactional SEDENA letters for qualifying dual-use exports to the U.S. and Canada.

Finally, USMCA members should agree that any regulatory changes impacting regional or global supply chains—including agency rules, customs, and tariffs—be given an ample notice period and opportunity for public comment, with a transition period of at least 18 months for U.S. companies to ensure compliance.

III. Address Emerging Issues through AI and Cyber Annexes

TechNet urges member countries to proactively address emerging technology issues by adding dedicated annexes to the USMCA on AI and cybersecurity. TechNet recommends harmonizing cloud and AI regulation across the region to facilitate uptake of these transformative technologies. The AI annex should affirm the critical role of copyright exceptions and limitations, such as fair use and fair dealing, for machine learning and development. Furthermore, USMCA members should promote good regulatory practices, including forbearance from overly prescriptive regulation that stifles development, and commit to avoiding fragmented, divergent regulatory, safety, and governance standards across the three countries.

With respect to cybersecurity, the annex should promote risk-based, standards-aligned practices across the USMCA region, encourage regulatory compatibility and transparency to support interoperability and reduce divergence, specifically address cybersecurity in Information and Communications Technology (ICT) supply chains, and encourage technology vendors to adopt commitments based on the principles of auditable trust and transparency. The annex should also express commitment to non-discriminatory cybersecurity certification standards and measures.

These annexes will solidify North America's collective leadership in the deployment and governance of next-generation technologies, and ensure the scope of the USMCA keeps pace with new critical and emerging technologies.

IV. Customs and Trade Facilitation

To facilitate trade and bring customs relief to small businesses and consumer sellers, TechNet respectfully urges the administration to restore the \$800 de minimis threshold for goods imported from Canada and Mexico, as codified in the current USMCA. The USMCA framework streamlined cross-border shipping, lowered transaction costs for small businesses, and enabled technology companies and digital retailers to deliver products efficiently to customers throughout North America. The de minimis threshold offered U.S. consumers access to lower prices, particularly for used goods and other inventory not available domestically in the U.S. The suspension of the de minimis threshold has significantly burdened technology and e-commerce companies because low-value parcel trade with USMCA member countries benefited from streamlined treatment under the agreement. Removing the de minimis exemption has increased friction in cross-border trade, raised compliance costs for U.S. exporters, and slowed the expansion of North American e-commerce. TechNet strongly recommends that member countries maintain the de minimis threshold in the USMCA and update domestic policies accordingly. This chapter would be further strengthened by creating a unique tariff classification for previously purchased consumer goods to reduce barriers for the trade of used goods.

An additional approach to pursue the goal of better flows of goods would be to restart the Customs pre-clearance "Green" lane program. This arrangement would also require the concurrent agreement by U.S. Customs and Border Protection and its Mexican counterpart.

V. Additional Provisions for Consideration

In addition to the above, TechNet offers the following suggestions for new provisions to incorporate into the USMCA:

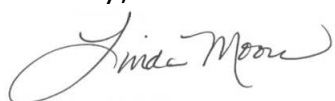
- **Non-Discriminatory Regulatory Thresholds:** The USMCA should explicitly prohibit regulatory thresholds designed to capture one or more U.S. companies, such as thresholds based on revenue and/or number of users.
- **Digital Services Taxes:** The member parties to the USMCA should commit to refrain from adopting digital services taxes.
- **Forced Data Localization:** The USMCA should explicitly prohibit forced data localization, ensuring that companies are not required to store data locally to operate in another jurisdiction.
- **Public-Private Cybersecurity Cooperation Mechanisms:** The USMCA should establish formal mechanisms for industry and governments to collaborate on cybersecurity policies and information sharing relevant to cross-border business operations.

- **Emerging Technologies:** The USMCA should ensure the scope of the agreement accommodates emerging technologies through interoperability where possible, recognizing international standards.
- **Digital Trade and Intellectual Property:** The USMCA should include clear liability limits for platforms that act in good faith with respect to intellectual property notices and counterfeit issues, and a safe harbor for platforms with established notice and takedown procedures.
- **Small Business Support:** Members should consider adding to the USMCA (1) a requirement for member parties to conduct annual assessments and publicize findings regarding trade barriers specifically impacting small business in the U.S., Mexico, and Canada, and (2) a duty drawback solution with low barriers to access, enabling small and medium-sized enterprises to enhance their competitiveness in international markets.

VI. Conclusion

TechNet appreciates the opportunity to provide meaningful input as the Trump administration reviews the USMCA. TechNet is willing to provide additional support or meet with USTR staff to further discuss how the USMCA can be updated and modernized to continue providing stability and prosperity for U.S. consumers and businesses.

Sincerely,



Linda Moore
President and CEO