



THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON

May 30, 2019

The Honorable Nancy Pelosi  
United States House of Representatives  
Washington, DC 20515

Dear Speaker Pelosi:

In accordance with Section 106(a)(1)(D) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C. § 4205(a)(1)(D)) (TPA), and in furtherance of the Administration's commitment to working in close consultation with Congress, the Administration is hereby submitting with this letter a draft Statement of Administrative Action (SAA) to implement the United States-Mexico-Canada Agreement (USMCA) and a copy of the final legal text as it now stands.<sup>1</sup>

The Administration has worked extensively with Congress on the USMCA in a bipartisan fashion and will continue to do so to secure ratification of this crucial agreement. Chapter-by-chapter and line-by-line, the USMCA represents the gold standard in U.S. trade policy. In addition to badly needed modernization provisions covering digital trade, intellectual property, services, and other areas that build on America's competitive strengths, the Agreement represents a fundamental rebalancing of our trade relationship with Mexico and Canada in ways that will create a more level playing field for American businesses, workers, and farmers. It is also the most bipartisan agreement that has ever been negotiated, with ambitious labor and environmental obligations that greatly exceed anything negotiated by prior Administrations.

In the past two months, several key barriers to ratification have been removed. Mexico enacted landmark labor reform legislation on May 1, 2019 to comply with the requirements of Annex 23-A to the Agreement's labor chapter. This legislation, when implemented and enforced, will give workers in Mexico a meaningful voice in collective bargaining for the first time and ensure that unions in Mexico are effective and responsive to their membership. Over time, these reforms will help to close the persistent wage gap between the United States and Mexico. In addition, the U.S. International Trade Commission issued a report on April 18 confirming that the USMCA will stimulate U.S. economic growth and support thousands of new U.S. jobs, most notably in the automotive sector. Finally, we recently reached agreements with Mexico and Canada on steel and aluminum that preserve the integrity of the President's Section 232 program, while, at

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the same time, allowing for the removal of both the Section 232 tariffs on Mexican and Canadian products and the retaliatory tariffs Mexico and Canada had imposed on U.S. exports.

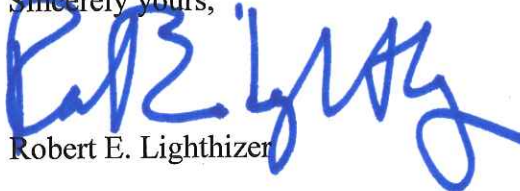
With these barriers removed, Canada and Mexico have formally initiated their ratification processes. It is time for the United States to uphold our end of the bargain with our key allies and neighbors and do the same. We recognize there is still work to be done. That is why it is so important that we begin discussions immediately on the implementation package.

The submission of the draft SAA is a procedural formality required by TPA. It is the next procedural step in the ratification process, but it is not the last. The draft SAA is just that—a draft. It does not in any way prejudice the content of the final implementation package, *i.e.*, the final SAA, final implementing legislation, and the final, binding text. Accordingly, submission of the draft SAA does not limit our ability to find solutions to address concerns Members have raised about enforcement of the labor and environmental provisions of the Agreement and pharmaceutical pricing. We are confident those concerns can be addressed to the satisfaction of the vast majority of Members from both parties through the implementing legislation or otherwise.

The draft SAA provides an outline for further discussions with Congress on these issues. We have included placeholders flagging areas we expect will be the focus of those conversations. Submission of the draft SAA does not formally start the countdown to a vote on the Agreement. By completing this procedural step at this time, however, we ensure that Congress will have sufficient time to consider the USMCA before the August recess if the leadership deems that appropriate.

We believe that the USMCA can—and ultimately will—attract broad bipartisan support in both Houses of Congress. That certainly remains my goal. I look forward to working with you to achieve it.

Sincerely yours,



Robert E. Lighthizer



THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
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May 30, 2019

The Honorable Kevin McCarthy  
United States House of Representatives  
Washington, DC 20515

Dear Leader McCarthy:

In accordance with Section 106(a)(1)(D) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C. § 4205(a)(1)(D)) (TPA), and in furtherance of the Administration's commitment to working in close consultation with Congress, the Administration is hereby submitting with this letter a draft Statement of Administrative Action (SAA) to implement the United States-Mexico-Canada Agreement (USMCA) and a copy of the final legal text as it now stands.<sup>2</sup>

The Administration has worked extensively with Congress on the USMCA in a bipartisan fashion and will continue to do so to secure ratification of this crucial agreement. Chapter-by-chapter and line-by-line, the USMCA represents the gold standard in U.S. trade policy. In addition to badly needed modernization provisions covering digital trade, intellectual property, services, and other areas that build on America's competitive strengths, the Agreement represents a fundamental rebalancing of our trade relationship with Mexico and Canada in ways that will create a more level playing field for American businesses, workers, and farmers. It is also the most bipartisan agreement that has ever been negotiated, with ambitious labor and environmental obligations that greatly exceed anything negotiated by prior Administrations.

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We believe that the USMCA can—and ultimately will—attract broad bipartisan support in both Houses of Congress. That certainly remains my goal. I look forward to working with you to achieve it.

Sincerely yours,



Robert E. Lighthizer



THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON

May 30, 2019

The Honorable Mike Pence  
United States Senate  
Washington, DC 20004

Dear President Pence:

In accordance with Section 106(a)(1)(D) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C. § 4205(a)(1)(D)) (TPA), and in furtherance of the Administration's commitment to working in close consultation with Congress, the Administration is hereby submitting with this letter a draft Statement of Administrative Action (SAA) to implement the United States-Mexico-Canada Agreement (USMCA) and a copy of the final legal text as it now stands.<sup>3</sup>

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THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON

May 30, 2019

The Honorable Chuck Grassley  
United States Senate  
Washington, DC 20510

Dear Senator Grassley:

In accordance with Section 106(a)(1)(D) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (19 U.S.C. § 4205(a)(1)(D)) (TPA), and in furtherance of the Administration's commitment to working in close consultation with Congress, the Administration is hereby submitting with this letter a draft Statement of Administrative Action (SAA) to implement the United States-Mexico-Canada Agreement (USMCA) and a copy of the final legal text as it now stands.<sup>4</sup>

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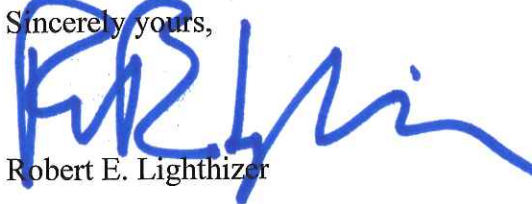
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