

The **United States-Mexico-Canada Agreement (USMCA)** is the most comprehensive and high-standard trade agreement ever negotiated. It fully updates, modernizes, and rebalances the NAFTA to meet the challenges of the 21<sup>st</sup> century economy and to ensure that American workers, farmers, ranchers, and businesses, including small- and medium-sized enterprises, share in the benefits of the agreement. It will help drive economic prosperity, promote fairer and more balanced trade, and help ensure that North America remains the world's most competitive region.

## USMCA Includes Advanced, Comprehensive, and Enforceable Labor Obligations

The United States, Mexico, and Canada have agreed to a labor chapter in the USMCA that includes the strongest, most advanced, and most comprehensive set of labor obligations of any U.S. trade agreement. One of President Trump's principal objectives of this renegotiation was to ensure that the new agreement benefits American workers. **Unlike the NAFTA, the USMCA's labor provisions:**

- ✓ **Have been incorporated into the core text of the agreement.**
- ✓ **Are fully enforceable, subject to dispute resolution.**
- ✓ **The Dispute Settlement chapter establishes a first-of-its-kind Rapid Response Mechanism that will provide for monitoring and expedited enforcement of labor rights in Mexico at particular facilities while respecting sovereignty and due process.**

## Highlights of the USMCA Labor Chapter

- ✓ **Requires the Parties to Adopt and Maintain Core Labor Standards**
  - The Parties are required to adopt and maintain in law and practice core labor standards as recognized by the International Labor Organization, including freedom of association and the right to strike, to effectively enforce their labor laws, and not waive or otherwise derogate from their labor laws.
- ✓ **Requires the Parties to Prohibit the Importation of Goods Produced by Forced Labor, Including Forced Child Labor**
- ✓ **Requires the Parties to Ensure Migrant Workers are Protected Under Labor Laws**
- ✓ **Includes First-Of-Its-Kind Language Requiring Parties to Address Violence Against Workers for Exercising Their Labor Rights**
- ✓ **Makes Obligations More Easily Enforceable**
  - By clarifying the meaning of "manner affecting trade" and "sustained or recurring".

## Annex on Worker Representation and Collective Bargaining in Mexico

- ✓ **Requires Mexico to Overhaul its System of Labor Justice**
  - Includes specific legislative actions that Mexico must take to reform its system of labor justice and provide for the effective recognition of the right to collectively bargain.
- ✓ **Guarantees Secret Ballot Votes by Workers on Collective Bargaining Agreements**
  - Requires Mexico to create the conditions for real union democracy, including personal, free, and secret ballot votes on electing and challenging union leadership and to demonstrate worker support for collective bargaining agreements.
- ✓ **Creates Conditions for Fairer Competition Between U.S. and Mexican Workers**
  - These reforms will promote better working conditions and higher wages for Mexican workers.