Pacific NorthWest Economic Region

INTRO TO USMCA

REVIEW PROCESS OVERVIEW

WHAT IS USMCA?

The United States–Mexico–Canada Agreement (USMCA) is a trade pact that replaced NAFTA in 2020, strengthening North American economic ties. It is a free trade agreement that is intended to simplify and modernize goods movement between the three countries.

$2.6 BILLION USD
IN GOODS AND SERVICES
CROSSES THE U.S.-CANADA BORDER EVERY DAY

WHY REVIEW?

The agreement requires an **automatic joint review** to determine whether to extend the terms or risk its expiration in 2036. If renewed, the USMCA will be extended for 16 years.

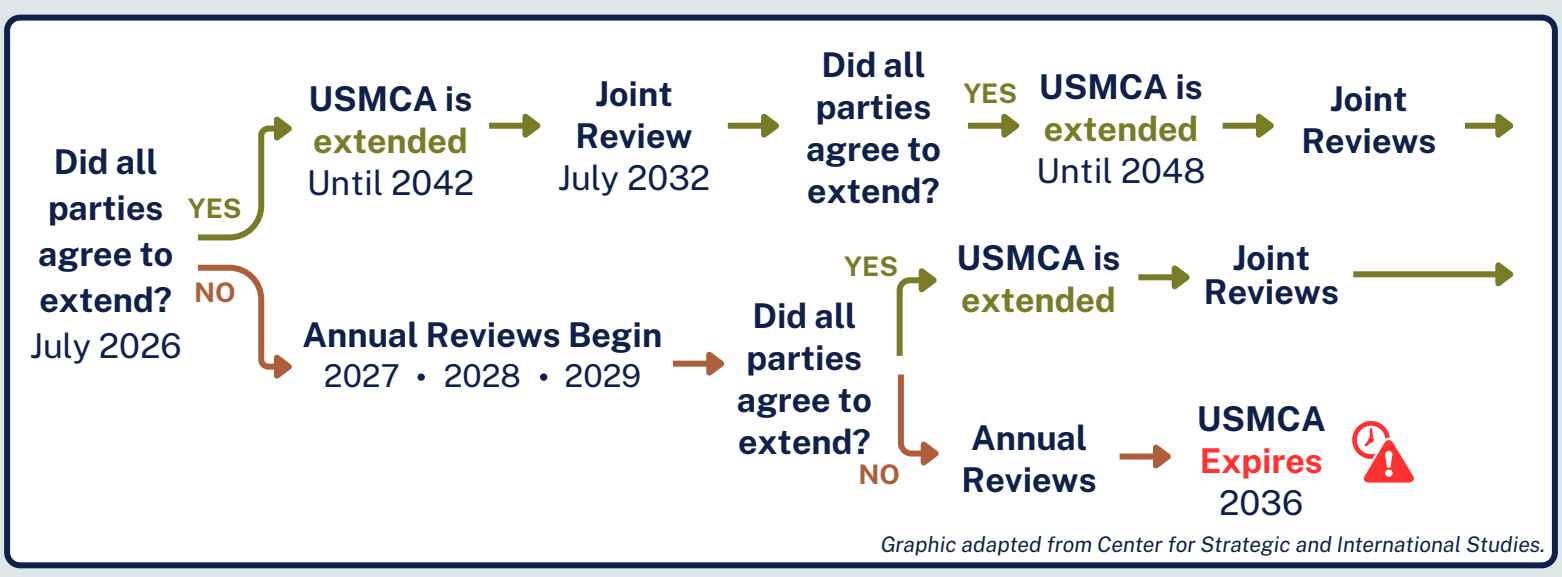
July 1, 2020	Until 2036	Every 6 Years	$1.9 Trillion USD
USMCA START DATE	INITIAL TERM	JOINT REVIEW CYCLES	ANNUAL TRILATERAL TRADE

USMCA REVIEW TIMELINE: KEY DATES

DECEMBER 3-5, 2025
USTR holds public hearings.

JANUARY 2, 2026
USTR provides Congress with assessment of the USMCA's performance and detailed plan for the review.

JULY 1, 2026
Joint review conducted.



Graphic adapted from Center for Strategic and International Studies.

POSSIBLE OUTCOMES: 2026 REVIEW

Full Extension (Best-Case Scenario)

- **All three countries agree** the agreement is working well
- They **sign a joint declaration** to extend the USMCA **for another 16 years (to 2042)**
- Next review: **2032**

Result: Stability for trade, minimal disruption, predictability for investors.

Conditional Renewal, Renegotiation

- One or more countries request **modifications**
- Negotiations take place to adjust parts of the agreement
- After successful talks, countries **agree to extend**

Result: USMCA continues, but with updated provisions, similar to how NAFTA evolved into USMCA.

Partial Extension, Ongoing Review

- One country **refuses full renewal** but agrees to **keep talking**
- The agreement remains in effect temporarily, but **uncertainty increases**
- Business and investment confidence may weaken while new terms are debated

Result: "Rolling review" scenario that is politically sensitive and potentially disruptive.

No Agreement - Expiration Path

- If **any one country** (especially the U.S.) **declines to extend**, the countdown to **termination** begins
- The USMCA remains in force for the rest of the 16-year period (until **2036**), giving time to renegotiate or replace it

Result: Potential end of the deal. New tariffs could emerge and North American supply chains could fracture.

HOW YOU CAN GET INVOLVED

- **Provide data** and case studies on how USMCA affects your sector
- Highlight cross-border **challenges** and identify **opportunities**
- **Engage** with elected officials and trade organizations
- **Share priorities** with federal agencies during public comment periods
- **Collaborate** with partners across the region
- Email **info@pnwer.org** to get involved with PNWER's trade work

Trade statistics sourced from Government of Canada and United States Trade Representative.