

USMCA Cross-Border Impact:

Automobiles and Automotive Parts

- Increases Regional Value Content Requirements**
Establishes regional value content of 75%
- New Requirements for Vehicle Producer's Use of Steel and Aluminum**
Minimum of 70% of producer's steel and aluminum purchases must originate in North America.
- Removes Loopholes that Undermine Regional Value Content Thresholds**
Removes NAFTA rules that allowed producers to 'deem' non-North American content as originating, regardless of origin.
- Introduces First-Ever Labor Value Content Rule**
Certain percentages of qualifying vehicles must be produced by employees making an average of \$16 per hour.
- Reduces the Administrative Burden on Vehicle and Parts Producers**
New origin procedures are designed to reduce the burden on automotive producers, while helping to strengthen enforcement of the agreement's automotive rules.