



THE TEXAS STATE CHAMBER

Thursday, December 4, 2025

Operation of the USMCA Hearing Panel Schedule
U.S. International Trade Commission Building
Main Hearing Room

Esteemed Representatives of the Office of the U.S. Trade Representative:

On behalf of the **Texas Association of Business**, and the **Texas Leads Trade Coalition**, we commend your commitment to ensuring an efficient review of the United States-Mexico-Canada Agreement (USMCA) in 2026. We agree wholeheartedly with President Trump that the USMCA is, by far, “the best and most important trade deal ever made by the USA.” As your office begins the required six-year joint review of this landmark Agreement, **we respectfully urge you to ensure a smooth and constructive process that secures the USMCA’s renewal for the continued benefit of Texas businesses and our vital North American trade partners.**

Since going into effect, the **USMCA** has played a critical role in bringing our supply chains closer to home, with Texas as a major beneficiary. By helping foster stronger trade relations with our **North American partners, Mexico and Canada** have become the largest and second largest trade partners, respectively, for the U.S. and Texas, surpassing **China** in both cases. Texas’ trade relationships with Mexico and Canada have been powerful drivers of our state’s economic growth.

In 2024, Texas and Mexico had a trade relationship valued around \$281 billion – creating over 5 million jobs in the United States and approximately 400,000 jobs in Texas, according to the Texas Department of Transportation (TxDOT).

Similarly, Texas and Canada had a trade relationship valued at \$75 billion in 2024, with 1,440 Canadian-owned companies creating 96,050 jobs in Texas.

Texas is the top state for **semiconductor manufacturing** and has led the nation in exports of semiconductors and other electronic components for 14 years. The **USMCA** has been instrumental in continuing this trend, as the agreement provides a regional trade framework with high standard digital trade provisions to support the cross-border flow of components, unfinished parts, and other related electronics involved in advanced manufacturing. The continued growth of high-tech industries such as semiconductors, **Artificial Intelligence (AI)**, **data centers**, **aerospace** and their related suppliers in Texas and North America will support U.S. jobs, innovation and competitiveness.

This **USMCA** review presents a key opportunity to advance one of President Trump's strategic priorities – **America's AI Action Plan**, which outlines more than 90 federal actions aimed at **Accelerating Innovation**, **Building AI Infrastructure**, and **Leading in International Diplomacy & Security**. The recent strategic **AI partnership** between the **U.S.** and the **United Arab Emirates (UAE)** provides a framework to **develop similar partnerships** with **Mexico** and **Canada** and further strengthen our competitive position on the world stage.

Tariffs are at the highest levels they have been in about 100 years – impacting consumers and small businesses, which make up [99% of all businesses](#) and account for about half of all jobs here in the Lone Star State. A **Dallas Fed report** from **November 2025** indicated that **tariffs have increased costs for many Texas businesses**. Nearly half of the firms surveyed reported higher input prices, and over a quarter passed these costs on to consumers by raising selling prices.

In any ongoing negotiations with our North American trade partners, we need to protect the [roughly 85% of goods that are exempt from tariffs under the USMCA](#) and actively work to expand tariff-free products in North America. The United States' role as the world's preeminent economy is supported by our

strong, integrated trade alliance in North America, which is key to our national security and economic success through a strong regional trade bloc that is better positioned to compete with China and other major economies. **To achieve this, we must aim to maintain the USMCA principle of zero-for-zero tariff reciprocity for a tariff-free North American region.**

In **2024, \$553 billion** worth of trade passed through Texas. For this, we need the full implementation and enforcement of **USMCA Chapter 7 provisions**, together with timely stakeholder consultations, to foster smooth and secure trade facilitation processes. This will require regular public-private dialogue and proper funding for border infrastructure to continue the unbridled economic success of our state and nation.

To maintain our global competitiveness, policies implemented under the USMCA must strengthen American industry by expanding access to high-skilled labor. The USMCA should preserve and expand its TN Visa program to support President Trump's [vision to ensure the U.S. has highly-skilled, legal immigrants](#) to meet the demands of our growing economy.

The Texas Association of Business and **Texas Leads Trade Coalition** represent thousands of companies of every size and industry as well as local and regional chambers of commerce and many other Texas trade organizations. The **USMCA** is a critical driver of our state economy. We **respectfully urge you** to ensure a smooth and constructive process that secures the **USMCA's renewal**. We look forward to working with you and your team to preserve and enhance the agreement during this joint review process.