



**NASCO**



# North American Strategy for Competitiveness

## *Beyond borders, Beyond politics*

NASCO is the only tri-national membership organization focused on the competitiveness of the North American supply chain, workforce, environment and energy independence.

NASCO is a **grass roots** tri-national coalition of governments, businesses and educational institutions driven by a common interest in collaboration along key freight, energy and commercial trade networks. Founded in 1994, NASCO encourages North America's competitiveness in the global marketplace.



# NASCO Focus Areas

- **Supply Chain and Logistics**

- Innovation and Technology
- Regulatory Cooperation / Harmonization
- Border Crossings – Canada, US and Mexico
- Freight Movement, Infrastructure and Multi-modal attention
- Department of Commerce ACSCC (North American Single Window, NAFTA Task Force and ITSC Subcommittee)

- **Environment and Energy**

- Promote continental energy security, collaboration and independence
- Strengthen government-to-government – to industry relationships
- New technologies and approaches to addressing environmental impacts resulting from trade across North America
- Climate change's impact on supply chains and access to better air quality data
- Alternative Fuels Corridors - increased charging infrastructure

- **Closing the Skilled Workforce Gap**

- Elevate public awareness and attention to the growing skills gap in Canada, the United States, and Mexico
- North American Workforce Initiative & Forum
- Convene stakeholders to identify ways to achieve more consistent quality across training and certification programs in North America
- Promote widespread use of a foundational career technical education curriculum and mutual recognition among North American certifying bodies – exchange and collaboration among certifiers and portability of credentials
- Automation and technology
- U.S. Chamber of Commerce Foundation efforts – competencies and technology
- University Consortium



# Our North American Strategy

- To position and engage our members, their expertise and recommendations at the highest levels of policy and decision making in all three North American nations;
- To be the sub-national government and industry *tri-national* voice for North American competitiveness in the global marketplace – through education, advocacy, information sharing, coordination and consultation in every sector and at every level – and get results;
- To create lasting professional and personal North American networks for every NASCO member to enable business development, trading relationships, partnerships, sharing of actionable information, professional advancement and leadership in their local communities.



# North American Connection

## *Connect. Inform. Engage.*

NASCO connects. We connect North America. We connect people, businesses, ideas, information, efforts and organizations. We inform and involve. And, if you engage with NASCO, your people, your businesses, your ideas, your information, your organizations and your efforts connect to us and through us. It is a powerful, continental, information sharing network in multiple layers and directions. It is a **valuable, proven business development tool.**

**And it is working.**



# **North America NOW**

## ***Innovative. Integrated. Inspired.***

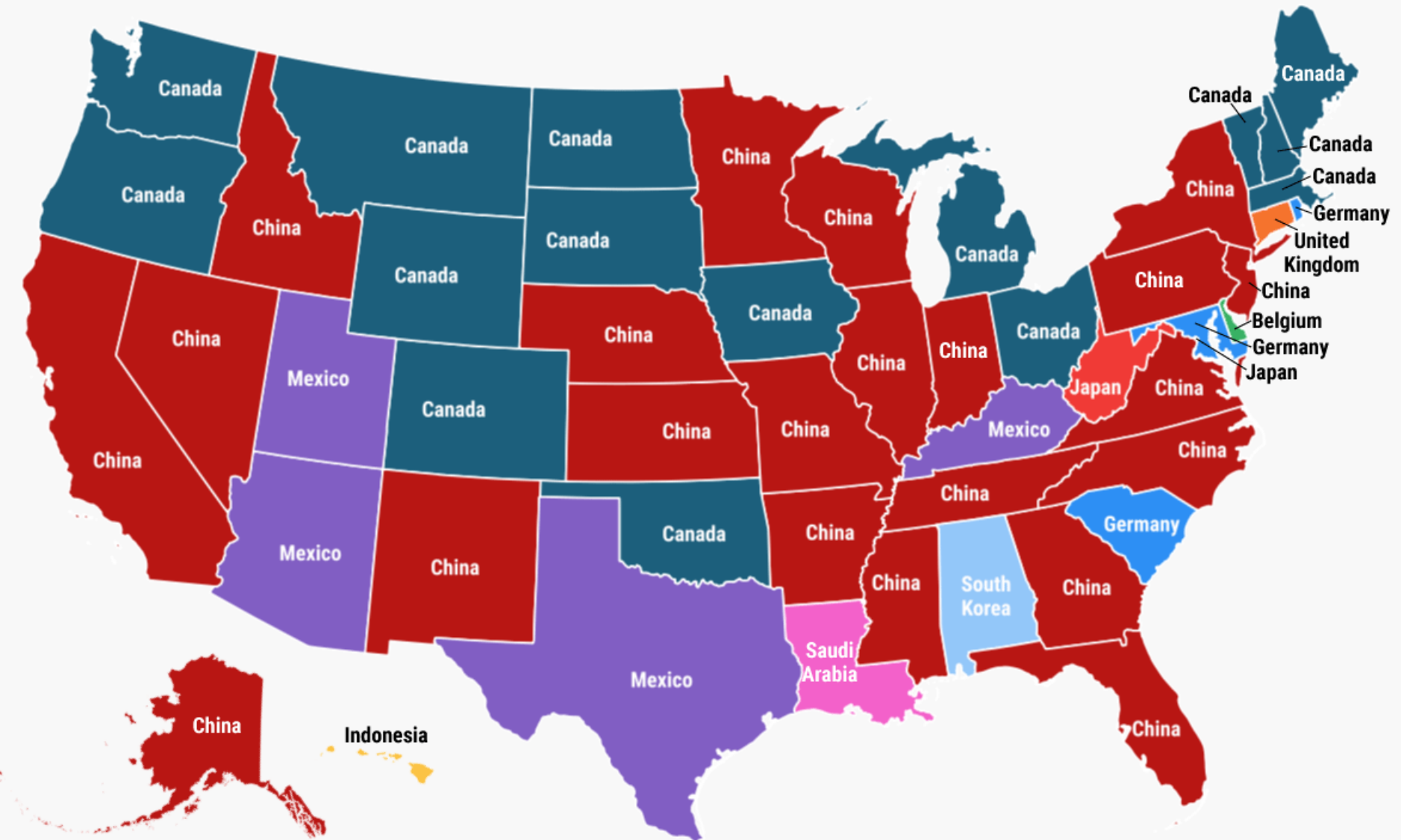
Promote the competitiveness, cultural, and economic benefits of North American trade to key decision makers and stakeholders in the United States, Canada, and Mexico.

Utilize the NASCO Network of regional and local organizations to highlight international trade's positive impact on the daily lives of our respective communities and citizens.

Engage, influence, connect and inform key government officials and NASCO members on the importance of ratifying the USMCA.

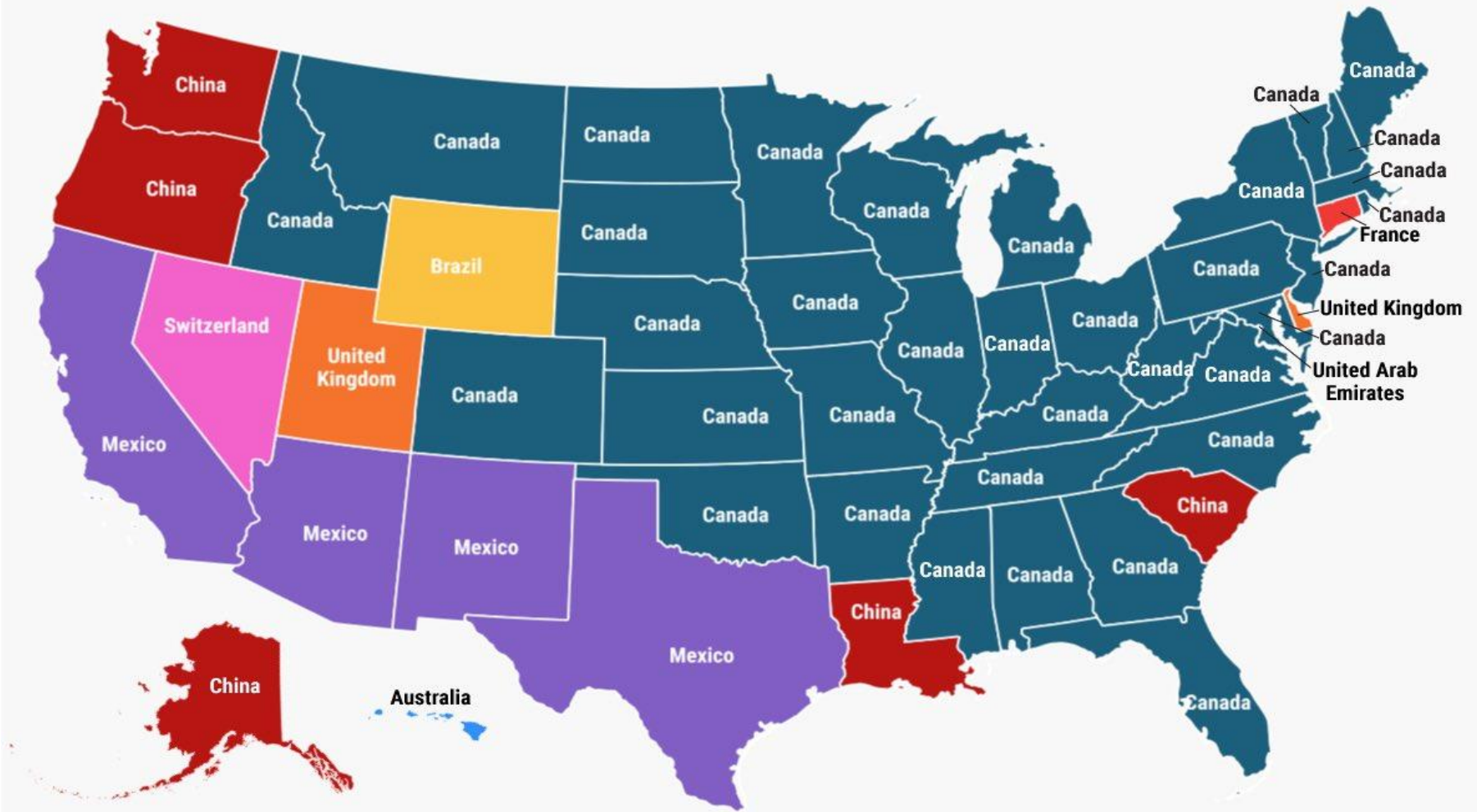


# BIGGEST IMPORT TRADING PARTNERS



Source: Business Insider  
<http://www.businessinsider.com/state-trading-partners-map-2016-10>

# BIGGEST EXPORT TRADING PARTNERS

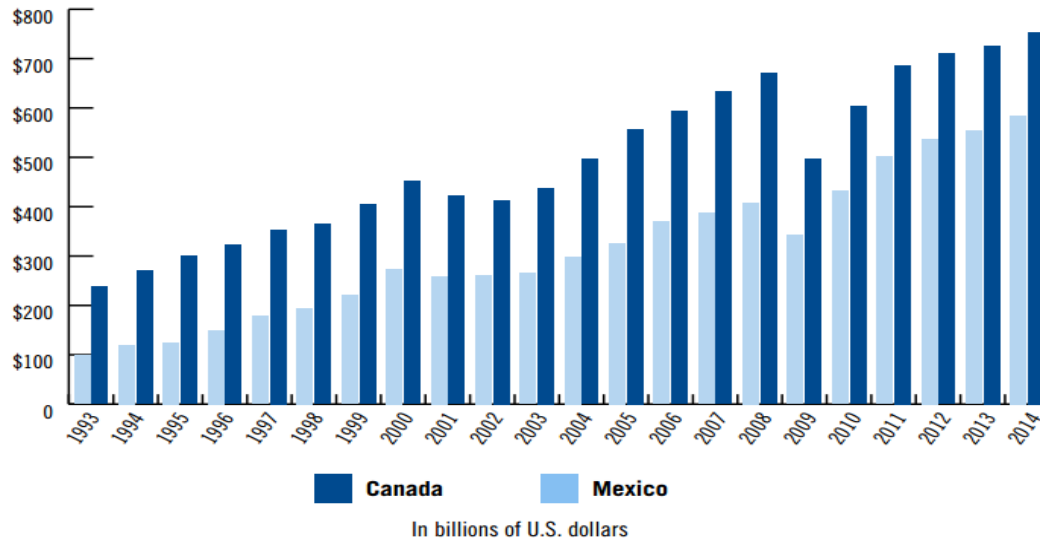


SOURCE: US Census Bureau

BUSINESS INSIDER



## U.S. Trade with Canada and Mexico since NAFTA's Entry into Force



**25 cents** out of every dollar of goods that are imported from Canada to the U.S. is actually **“Made in USA”** content



**40 cents** out of every dollar for goods imported into the U.S. are actually **“Made in USA”**

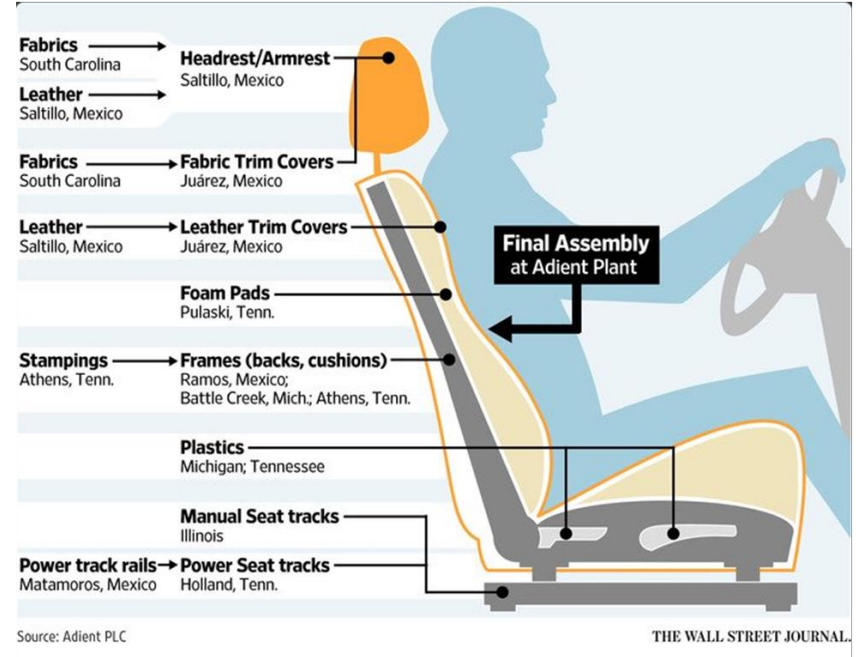
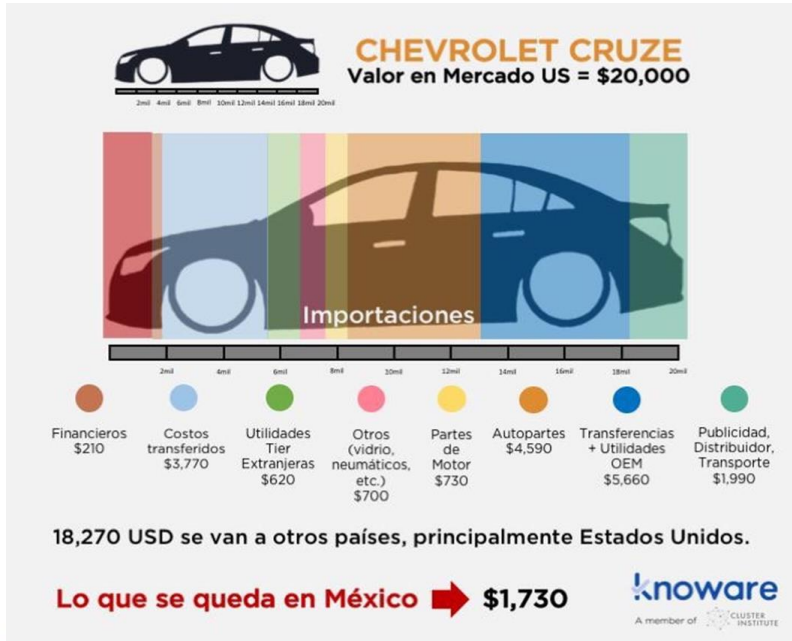
# NAFTA value chains



Auto parts travel across the border 8 times before completing a single vehicle.

# NAFTA works

Cars are “Citizens” from North America. There are no Mexican cars, there are no American cars, and there are no Canadian cars.



# Changes to NAFTA in USMCA

Source – Dan Ujcz, Dickinson Wright – Columbus, Ohio

## Automotive Rules of Origin

- RVC was increased from 62.5% to 75% (new methodology)
- 40% labor value content (\$16/hr)
  - 10%: credits for R&D , IT
  - 5%: credits for assembly capacity:
    - » motors (100 thousand units)
    - » transmissions (100 thousand units)
    - » batteries (25 thousand units)
  - 25%: labor force
- 70% steel & aluminum from North America.
- Core Auto parts: 75% RVC in average (value)
- 5 year transition



# Changes to NAFTA in USMCA

Source – Dan Ujcz, Dickinson Wright – Columbus, Ohio

- **Dairy Farmers**
  - U.S. dairy farmers gain better access to Canada’s market share
  - Places restrictions on amount of dairy products Canada can export
  - Eliminates Canada’s pricing “strategy” for Class 7 dairy products (powders, proteins, formulas)
    - helps improve U.S. sales of these products into U.S. largest trading partner
- **Drug Companies**
  - U.S. drug companies can sell in Canada for 10 years before facing generic competition (original NAFTA = 8 years)
- **Digital Trade**
  - Similar to TPP
  - Better than TPP: blanket ban on data localization requirements that does not provide an exception for financial services firms.
- **Chapter 19 Dispute Resolution Stays**
  - Allows one country to challenge another country in USMCA’s dumping regulations
- **Intellectual Property Rights Protection**



# Changes to NAFTA in USMCA

Source – Dan Ujcz, Dickinson Wright – Columbus, Ohio

- **Sunset Clause**

- Set the grounds for a review mechanism with a reasonable planning timeframe
- 16 years agreement lifespan, systematically extendable:
- After six years of the entry into force, each party must express its intention to renew the agreement
  - In such case, the agreement will be renewed for an additional 16 years period
  - If a party does not express intention to renew, a joint-review every year until agreement is renewed.
  - If no satisfaction after 10-years, NAFTA would be terminated

- **De Minimis**

- USMCA will raise the threshold at which imports from Canada and Mexico will be subject to customs duties, a priority for many in the U.S. business community.
- For Canada, the de minimis level will be raised from C\$20 to C\$40 for taxes and allow duty-free shipments of up to C\$150, from C\$20.
- Mexico will allow duty-free shipments of up to \$117, from \$50. The U.S. de minimis threshold is \$800.
- This may change.



# Changes to NAFTA in USMCA

Source – Dan Ujcz, Dickinson Wright – Columbus, Ohio

- **Chemicals**
  - New ROO focus on where the chemical mixed/produced.
- **Customs and Trade Facilitation**
  - Reduced need for Certificates of Origin
  - Focus on Technology
  - No preferred brokers at ports of entry
  - Transparency in Customs audits
- **Modernization**
  - Innovative Customs & Trade Facilitation
  - Adds currency manipulation & state-owned enterprise chapters
- **Immigration**
  - Original NAFTA's temporary entry system is largely preserved



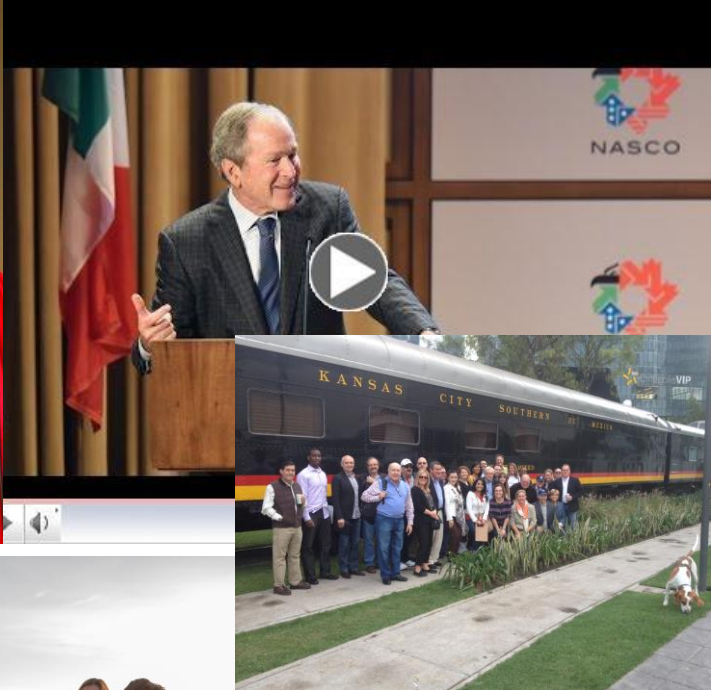
# NASCO Continental Reunion

*Bringing North America together since 2005*

The NASCO Continental Reunion brings together our North American membership in a familiar way, and features outstanding speakers from North America presenting leading-edge ideas affecting our continent's borders, trade and transportation network.

The reunion is unique, as it rotates between the U.S., Canada and Mexico each year, and is hosted in a NASCO member community.







# 2019 NASCO Continental Reunion Columbus, Ohio September 18-21, 2019





# COLUMBUS<sup>★</sup> WELCOMES YOU

Columbus, the 14th largest city in the U.S., is a smart and open community. It's a one-day drive or one-hour flight from more than half of the U.S. population.

You will love exploring the place that is fast becoming known as one of the nation's most creative, forward-thinking and exciting cities. Be sure to check out the **spectacular riverfront, unique restaurants, lively nightlife, first-class attractions and shopping and fun sporting events.** Columbus has something for everyone.

# The NASCO Team

**Tiffany Melvin**

President

tiffany@nasconetwork.com

**Rachel Connell**

VP, Membership & Events

rachel@nasconetwork.com

**Francisco Martinez**

VP, Mexico Relations

fmartinez@nasconetwork.com

**Jennifer Fox**

VP, International Trade Policy & Canada Relations

jennifer@nasconetwork.com

[www.nasconetwork.com](http://www.nasconetwork.com)

