



Testimony of Melinda St. Louis, Global Trade Watch Director at Public Citizen to the United States Trade Representative on its Hearing on the Review of the U.S.-Mexico-Canada Agreement (USMCA)

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Public Citizen is a nonprofit consumer organization with over 1,000,000 members and supporters. We have conducted extensive analysis of U.S. trade and investment agreements and their outcomes and thus welcome the opportunity to provide recommendations to the USMCA review.

While some important improvements were made over the original North American Free Trade Agreement (NAFTA), the USMCA still contains many rules that undermine the rights of consumers and workers in all three countries. The USMCA review must focus on fixing the damaging trade rules that have contributed to the continued offshoring of good U.S. jobs as well as the root causes of migration from Mexico.

In our written comments,¹ we detail seven areas that must be fixed during the USMCA review to put workers and the public interest ahead of corporate profits, that I will summarize today.

First, we note that the USMCA was a big win for Big Tech companies at the expense of consumers. It was the first time that extreme digital trade rules were codified in a binding and enforceable trade agreement that included the United States. A number of these digital trade provisions limit the ability of Congress and state governments to hold Big Tech companies accountable and protect consumers.

Therefore, to protect the fundamental rights of U.S. citizens, workers, and marginalized communities, the USMCA's extreme 'digital trade' provisions must be removed, including:

- Provisions that prohibit disclosure of source code to governments, regulators, and independent researchers to ensure that algorithms are not perpetuating biases, facilitating anticompetitive behavior, or restricting the right to repair.
- Provisions that restrict the ability of governments to regulate cross-border transfers of data – which undermines efforts to protect privacy online.
- Provisions that confer 'safe harbor' on intermediaries. There is a bipartisan, vigorous, and ongoing debate in the U.S. on how best to tackle the harms arising from social

¹ Public Citizen, "Comments to USTR on the Review of the U.S.-Mexico Canada Agreement (USMCA) Docket Number USTR-2025-0004", Submitted October 29, 2025. Available at: <https://comments.ustr.gov/s/commentdetails?rid=B43HDBRQQX>

media, which should not be preempted by international trade rules.

- Provisions that undermine anti-trust policies that ensure competition in the digital economy or taxation of large digital companies.

Second, we joined 30 public health groups in calling for the USMCA’s intellectual property (IP) chapter to be removed to improve access to lifesaving medicines. Decisions regarding the balance between the rights of patent holders and the right to public health should be made through democratic policymaking, not through international trade agreements negotiated in secret. While some additional extreme IP provisions were removed before Congress approved the original NAFTA renegotiation, several IP provisions remain in the USMCA that contribute to long delays to access affordable medicines.

Should the IP chapter be retained, we recommend the removal of provisions requiring patent term extensions, market exclusivity, patent linkage, and TRIPS plus enforcement mechanisms. The deal should affirm governments’ right to use compulsory licensing to address public health needs and to negotiate lower prescription medicine prices.

Third, the USMCA’s labor standards and their enforcement must be strengthened. The USMCA’s enforceable labor obligations and Rapid Response Mechanism (RRM) were a marked improvement over NAFTA. However, the overall framework has failed to deliver the wage growth, union representation, and cross-border equity that were promised, and companies continue to offshore jobs in their pursuit of low wages and weak enforcement.

We stand with organized labor in their demands to ensure a decent standard of living for workers across borders, including strengthening and expanding the RRM to cover all sectors and all forms of labor violations for workers in all three countries and establishing a North American minimum wage for manufacturing workers in key sectors, premised on equal pay for equal work.

Fourth, a key priority for the review must be to spur a “race to the top” in environmental standards. Such provisions are key to ensuring that U.S. manufacturing that complies with environmental standards is not undermined by unfair competitors that take advantage of weak environmental standards abroad.

We thus support changes to the environmental chapter proposed by prominent environmental organizations, which include:

- Requiring parties to implement all necessary laws, regulations, and measures to fulfill their current and future Multilateral Environmental Agreement commitments, even where such compliance may conflict with other provisions of the USMCA; and
- Making environmental obligations binding and enforceable, including through the creation of a facility-specific enforcement mechanism like the RRM to ensure timely compliance with environmental standards

Fifth, we call for the full removal of Investor State Dispute Settlement (ISDS), a mechanism that has empowered foreign investors to undermine democratic governance and critical public interest regulation. Republicans and Democrats alike have opposed ISDS because it is unnecessary, harmful, and undermines sovereignty.

While the USMCA made significant progress by eliminating ISDS between the U.S. and Canada and restricting its application between the U.S. and Mexico, ISDS rights are preserved for companies with covered government contracts in Mexico in certain sectors. These terms should be fully removed.

Sixth, we recommend an overhaul of the USMCA's agriculture rules. While large agribusiness corporations have benefited from export expansion and consolidation, small and medium farmers, rural workers, and Indigenous communities have faced displacement and declining incomes in all three countries. Among other fixes, we call for:

- Restoring policy space for governments to manage agricultural imports, stabilize markets, and prevent dumping of subsidized commodities;
- Supporting smallholder, Indigenous, and women farmers through cooperative financing, credit access, and technical assistance; and
- Reinstating country-of-origin labeling for major food products, including beef, pork, dairy, eggs, and seafood, to guarantee transparency and informed consumer choice.

Finally, the USMCA review is taking place amid ramped-up efforts to unjustly scapegoat immigrants, terrorizing communities through ICE raids and violating due process. These tactics are not only cruel; they do nothing to address the root causes of migration, which stem from decades of economic dislocation driven by trade deals like NAFTA and now the USMCA.

We stand in solidarity with prominent migrant justice groups in calling for many of the previous changes mentioned to the USMCA that will allow people to live and work with dignity in their homeland and protect the rights of migrants.

I'll conclude by urging a fully transparent and participatory USMCA review process. The Parties should publish proposals and negotiating texts and commit to open and ongoing consultations with unions, environmental, Indigenous, migrant, and civil society organizations, as well as legislators, in all three countries to ensure the Agreement reflects democratic input and advances the public interest.