

ITC Initiates Investigation of the Likely Impact of USMCA

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Last Friday, the U.S. International Trade Commission ("ITC") formally launched an investigation into the economic benefits of the new U.S.-Mexico-Canada Agreement ("USMCA") that is to replace NAFTA.

Under the Trade Promotion Authority ("TPA") law, known as the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, the ITC must prepare a report that assesses the likely impact of the Agreement on the U.S. economy as a whole and on specific industry sectors, as well as the interests of U.S. consumers. This report, which will be made public, is due to the President and Congress no more than 105 days after the President signs the agreement. The TPA requires the President to wait 90 days from the date of the notification before signing the USMCA. President Trump notified Congress of his intent to enter into the new trade agreement on August 31, 2018. Therefore, the earliest the President may sign the agreement is November 30, 2018.

Congress is expected to wait until the ITC report is issued before voting on the new agreement. In fact, Senate majority leader Mitch McConnell recently told Bloomberg in an interview that the vote on USMCA will be a "next-year issue."

If Congress does not pass the TPA, the President has threatened to withdraw from NAFTA. Although the ITC is not required to analyze the impact of withdrawing from NAFTA, there is at least one study prepared by [Trade Partnership Worldwide](#) that estimates that withdrawing from NAFTA could cost 1.8 million jobs in the first year.

The ITC will hold a public hearing at 9:30 a.m. on Thursday, November 15, 2018. Parties wishing to participate at the hearing must file a request to appear by October 29, 2018. Written submissions for the record are due by December 20, 2018.