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Before the United States Trade Representative

Docket USTR-2025-004

Request for Comments on the Operation of the Agreement between the United States, Mexico, and Canada, docket USTR-2025-004

The International Association of Machinists and Aerospace Workers (IAM) is submitting these written comments for the upcoming mandatory six-year joint review of the United States-Mexico-Canada Agreement. The IAM represents over 600,000 active and retired workers in the United States and Canada from industries including aerospace, airlines, shipbuilding, steel, and manufacturing. The IAM is a member of the Labor Advisory Committee (LAC) and supports the comments submitted by the LAC. However, in addition we submit these views that reflect specific interests of the IAM.

Our union opposed the USMCA. We concluded that it did not do enough to address the outsourcing of American and Canadian jobs to Mexico, including insufficient improvements to the low labor standards and lack of enforcement in Mexico. These low standards were a result of decades of government-management collusion to support protection unions and undermine the establishment of independent unions that would represent the interests of workers.

Despite this, we were optimistic about the modernization of Mexico's labor laws and the inclusion of facility-specific enforcement through the Rapid Response Mechanism (RRM) that were required as a part of USMCA implementation. While there have been some successes for workers through the use of the RRM, these cases have not positively impacted the overwhelming majority of Mexican workers.

Unfortunately, our concerns about USMCA have proven to have been accurate: Mexican industrial wages remain lower than those in China, and offshoring of well-paid U.S. jobs continues, including many in the aerospace sector. Indeed, since USMCA was enacted, we have seen further erosion of

good, middle-class, union jobs in the United States. In order to prevent this from continuing, we need to take vigorous action on a number of fronts during the upcoming review.

The IAM is North America's largest aerospace union, with members making everything from aviation components to massive commercial aircraft. This skilled workforce has developed over generations and is unmatched in building products that support economic growth and protect our nation. IAM members in Washington State build Boeing jets such as the 737 and 777. IAM members in Missouri and Texas keep the skies safe with the F-15 and F-35 fighter jets they produce. Aircraft across the globe are powered by the Pratt and Whitney and GE engines manufactured by IAM members.

Our aerospace employers depend on integrated global supply chains, particularly between the US and Canada. Since the passage of the Canada-United States Free Trade Agreement in 1988, aerospace manufacturers on both sides of the border have relied upon a network of suppliers in both nations. This is particularly evident among key IAM employers. For example, Bombardier builds business jets in Montreal, Quebec. These aircraft, which are assembled by IAM members, contain upwards of 50% US-made content. Union members at Textron Aviation in Wichita, Kansas, rely on Pratt & Whitney engines from Canada in the jets that they build. Latecoere AvCorp in British Columbia supplies Boeing's Seattle facility with panels and other structures for commercial and military jets. These are just a few examples of the many manufacturers that rely on integration with Canada in aerospace. Maintaining tariff-free access for USMCA-compliant goods is essential for the integrated aerospace industries that power our airlines and national defense.

However, our aerospace industry and national security are impacted if weak USMCA rules of origin allow duty-free imports of goods with substantial Chinese and other non-USMCA content to take advantage of duty-free USMCA access into the United States. This threatens U.S. and Canadian aerospace manufacturing.

Most workers in Mexico are still represented by protection or company unions, as opposed to freely elected independent unions. When Mexican workers try to organize independent unions, they are still threatened with termination, blacklisting, or even violence.

While the reforms to Mexican labor laws that were required prior to the enactment of the USMCA have helped, they are merely a first step. The recent Independent Mexico Labor Expert Board (IMLEB) report documents some of the many failings by the Mexican government to adequately enforce the core labor rights required by its own laws. This includes a failure by the government to impose penalties upon employers who violate labor laws.

The Rapid Response Mechanism has been an excellent tool to address worker rights issues on a facility-specific basis. It has provided clear gains for thousands of Mexican workers, but needs to be expanded and strengthened. While Mexican workers have the rights to bring forward an RRM case, to bring a successful challenge requires legal assistance and funding. Funding for the Department of Labor's International Labor Affairs Bureau (ILAB) was included in USMCA but has since been reduced. This means that partner organizations which help support labor rights in Mexico, such as the Solidarity Center, are no longer able to assist workers in the same manner. If the RRM is to be successful, additional US government funding is needed to support labor rights in Mexico.

In addition to the RRM, another unique inclusion in USMCA has been the Labor Value Content standard, which stipulates that components in automobiles covered by USMCA are made by workers making an average of \$16 per hour. However, this provision only covers *vehicles* made within the three USMCA nations. This rule needs to be expanded to include aircraft, ships, and other manufacturing sectors. It should also be strengthened and used as a minimum standard rather than an average. We are also concerned that the enforcement of the existing LVC standard has been less than robust, as evidenced by the continuing low wages of Mexican workers in the auto industry.

In addition to an expansion of Labor Value Content, there is a need to strengthen the rules of origin (ROO) beyond the existing USCMA baseline. Goods that are made in North America should utilize components that are made in North America. Most Favored Nation tariffs should be reevaluated to ensure that goods crossing our borders are in full compliance with our tariff regimes, and that companies are not attempting to evade USMCA labor standards. The crucial aerospace sector warrants specific, enhanced rules of origin to help ensure that high-value aerospace work remains in the United States and performed by American workers. We have seen aerospace manufacturing work sent to Mexico and we do not want to see that turned into a flood of outsourcing, which would be at the expense of good middle-class union jobs in the United States.