

USMCA Joint Review: Process and Role of Congress

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Introduction

The United States-Mexico-Canada Agreement (USMCA) is a trilateral free trade agreement (FTA) that outlines rules for duty-free trade among the eponymous three countries as well as commitments on non-tariff issues, including labor, environment, investment, digital trade, and services. USMCA entered into force on July 1, 2020, replacing the 1994 North American Free Trade Agreement (NAFTA).¹ The USMCA Implementation Act (P.L. 116-113), which was signed into law on January 29, 2020, approved and implemented the agreement. Congress, in both its legislative and oversight capacities, was active in numerous trade policy issues related to the negotiations and conclusion of USMCA, and continues to be active in overseeing its implementation.

A key issue for the 119th Congress is a scheduled July 2026 “joint review” of USMCA. The joint review is specified within the “review and term extension” provision² (sometimes referred to as a “sunset clause”)—the first time such a provision has been included in any U.S. FTA. USMCA is scheduled to terminate 16 years after its entry into force (July 1, 2036) unless all three member countries confirm that they wish to continue the agreement through a “joint review” process. The parties committed to begin the first joint review on the sixth anniversary of the agreement’s entry into force (July 1, 2026).

The establishment of a USMCA joint review provision was controversial. In hearings that took place during USMCA negotiations, Members of Congress expressed doubts about adding a mandatory review clause to USMCA, arguing that such a provision would create uncertainty that could discourage private investment and harm U.S. businesses.³ Some Members questioned whether the sunset clause provision may circumvent congressional authorities related to trade agreements.⁴ Then-U.S. Trade Representative (USTR) Robert Lighthizer argued that the USMCA joint review process allows Congress to exert greater oversight than “eternal” FTAs that lack a mechanism for periodic review of an agreement.⁵

The USMCA Implementation Act includes congressional consultation requirements related to the joint review process.⁶ Congress may consider whether, and if so, how, to shape U.S. priorities for and approaches to the USMCA joint review. If there are significant revisions to USMCA resulting from the joint review, Congress may have a role in approving a revised agreement.

¹ For more details, see CRS In Focus IF10047, *North American Free Trade Agreement (NAFTA)*, by M. Angeles Villarreal CRS Report R44981, *The United States-Mexico-Canada Agreement (USMCA)*, by M. Angeles Villarreal.

² Agreement between the United States of America, the United Mexican States, and Canada (USMCA), art. 34.7.

³ See, for example, U.S. Congress, House Committee on Ways and Means, *Hearing on U.S. Trade Policy Agenda*, 115th Cong., 2nd sess., March 21, 2018, 115-FC08, pp. 25, 72, 89, 95; and U.S. Congress, Senate Finance Committee, International Trade, Customs, and Global Competitiveness Subcommittee, *Modernization of the North American Free Trade Agreement (NAFTA)*, 115th Cong., 1st sess., November 20, 2017, S.Hrg. 115-412 (Washington: GPO, 2018), p. 7.

⁴ U.S. Congress, House Committee on Ways and Means, *Hearing on the 2019 Trade Policy Agenda: Negotiations with China, Japan, the EU, and UK; new NAFTA/USMCA; U.S. Participation in the WTO; and other matters*, hearing transcript, 116th Cong., 1st sess., June 19, 2019, pp. 119-121.

⁵ House Committee on Ways and Means, *Hearing on the 2019 Trade Policy Agenda: Negotiations with China, Japan, the EU, and UK; new NAFTA/USMCA; U.S. Participation in the WTO; and other matters*, hearing transcript, p. 120.

⁶ P.L. 116-113 §611.

USMCA Joint Review Provision (Article 34.7)

While negotiating the USMCA terms, officials in the first Trump Administration proposed a five-year “sunset clause” and stated that the President would decide whether or not to continue the agreement five years after the agreement went into effect.⁷ An Office of the U.S. Trade Representative (USTR) official at the time argued that such a sunset clause would prevent agreements from becoming “out of date” and that “it takes a fair amount of political pressure in order to get nations to come together and work on these agreements.”⁸ Canadian and Mexican officials opposed the initial U.S. “sunset clause” proposal, maintaining it would create uncertainty for investment and other economic activity.⁹

The three parties eventually agreed on a 16-year term for USMCA, with a required joint review to decide whether to renew the agreement.¹⁰ As described below, USMCA broadly outlines certain aspects of the joint review related to timeline and procedure. Because the scheduled July 2026 joint review of USMCA is the first time that the United States is conducting such a process in relation to an FTA, there is no precedent for how the President or Congress may approach the scope of the review and the U.S. domestic process and trilateral process for conducting it.

According to Article 34.7 of USMCA, the parties are to meet on the sixth anniversary of the USMCA’s entry into force (i.e., on July 1, 2026) for the first joint review.¹¹ If a party wishes to make changes to the agreement, it is to provide recommendations for action at least one month before the joint review.¹² If a party wishes to extend the agreement, it “shall confirm, in writing, through its head of government.”¹³ If all parties agree to an extension, USMCA would “automatically” be extended for another 16 years. Subsequently, another joint review would be held “no later than at the end of the next six-year period” to discuss further extension of USMCA.¹⁴

If a party does not agree to extend USMCA, the agreement requires the parties to conduct additional annual joint reviews until all parties agree to extend the agreement for another 16-year period (after which the parties will return to a six-year joint review cycle¹⁵) or until USMCA terminates.¹⁶ The joint review process is separate from USMCA’s withdrawal provisions, which allow any party to withdraw from the agreement with six months’ written notice to the other parties.¹⁷

⁷ U.S. Congress, House Committee on Ways and Means, *Hearing on U.S. Trade Policy Agenda*, committee print, 115th Cong., 2nd sess., March 21, 2018, 115-FC08, pp. 25-26.

⁸ U.S. Congress, Senate Committee on Finance, International Trade, Customs, and Global Competitiveness Subcommittee, *Modernization of the North American Free Trade Agreement (NAFTA)*, 115th Cong., 1st sess., November 20, 2017, S.Hrg. 115-412 (Washington: GPO, 2018), p. 7.

⁹ Gary Hufbauer and Steven Globerman, *The United States–Mexico–Canada Agreement: Overview and Outlook*, Fraser Institute, November 2018, p. 3.

¹⁰ USMCA, art. 34.7.

¹¹ USMCA, art. 34.7.2.

¹² USMCA, art. 34.7.2.

¹³ USMCA, art. 34.7.3.

¹⁴ USMCA, art. 34.7.4.

¹⁵ USMCA, art. 34.7.6.

¹⁶ USMCA, art. 34.7.5. and art. 34.7.6.

¹⁷ USMCA, art. 34.6. For more information, see CRS Report R47679, *Congressional and Executive Authority Over Foreign Trade Agreements*, by Christopher T. Zirpoli.

The Role of Congress in the Joint Review

The USMCA Implementation Act (P.L. 116-113), requires the President to consult with certain congressional committees (i.e., the House Ways and Means Committee and Senate Finance Committee), and other stakeholders before each joint review with respect to “any recommendation for action to be proposed” at the joint review, and “whether or not to confirm that the United States wishes to extend” USMCA.¹⁸ The law also instructs USTR to issue a notice in the Federal Register at least 270 days before a joint review to solicit public comments and to hold a public hearing for a presentation of views.¹⁹ Ahead of the scheduled July 2026 review, USTR issued a Federal Register notice on September 17, 2025, and held a public hearing from December 3 to December 5, 2025.²⁰

At least 180 days before a six-year joint review, USTR must report to the appropriate congressional committees its 1) assessment of the operation of USMCA; 2) recommendations for actions to be proposed at the joint review; 3) the U.S. position on whether to extend USMCA; 4) what, if any, prior efforts have been made to resolve concerns underlying such recommendations and position; and 5) the views of trade advisory committees regarding such recommendations/position.²¹ USTR also is required to engage with Congress following a joint review, including in the case that not all USMCA parties agree to extend the term of the agreement.²²

On December 16 and 17, 2025, USTR Jamieson Greer reported to the House Ways and Means Committee and Senate Finance Committee and asserted that these meetings held by USTR fulfilled aforementioned consultation requirements.²³ Some Members of Congress sought a written report on the proceedings. In USTR Greer’s publicly available opening remarks to the committees during the closed-door briefings, he assessed USMCA, recommended action on bilateral and trilateral issues, described efforts undertaken to resolve concerns, and presented views of the trade advisory committees, which include representatives from the private sector, labor unions, nongovernmental organizations, and other U.S. stakeholders.²⁴ USTR Greer stated that “the shortcomings [of USMCA] are such that a rubberstamp of the Agreement is not in the national interest” and indicated that the nature of the joint review will depend on the “successful resolution” of various bilateral and trilateral issues (see “Issues for Congress”).²⁵

¹⁸ P.L. 116-113 §611(a). For discussion of whether congressional approval is needed for the decision whether or not to extend the term of USMCA, see CRS Report R47679, *Congressional and Executive Authority Over Foreign Trade Agreements*, by Christopher T. Zirpoli.

¹⁹ P.L. 116-113 §611(b)(1).

²⁰ Office of the U.S. Trade Representative (USTR), Request for Public Comments and Notice of Public Hearing Relating to the Operation of the Agreement Between the United States of America, the United Mexican States, and Canada, 90 *Federal Register* 44869, September 17, 2025; and USTR, “Public Hearing on the First Joint Review of the USMCA,” December 1, 2025.

²¹ P.L. 116-113 §611(b)(2).

²² P.L. 116-113 §611(c), (d).

²³ Remarks by USTR Jamieson Greer, “Opening Statement for House Ways and Means and Senate Finance Committees,” December 16 and 17, 2025, available at <https://ustr.gov/sites/default/files/files/Press/Releases/2025/Ambassador%20Greer%20Reported%20to%20Congress%20on%20the%20Operation%20of%20the%20USMCA.pdf>.

²⁴ Remarks by USTR Greer, “Opening Statement for House Ways and Means and Senate Finance Committees,” December 16 and 17, 2025.

²⁵ Remarks by USTR Greer, “Opening Statement for House Ways and Means and Senate Finance Committees,” December 16 and 17, 2025.

Issues for Congress

Congress may consider whether and how to engage on the 2026 USMCA joint review, including on oversight of U.S. trade relations with Canada and Mexico. Congress also may investigate and assess how proposed changes to the agreement might impact the U.S. economy and broader U.S. relations with Canada and Mexico. Congress also may consider to what extent the Administration is satisfying its statutorily required consultation requirements, or whether to seek more or less consultation with the Administration.

Because USMCA is the first U.S. FTA to undergo a joint review, the scope and process of the review remain unclear. The parties may choose to address longstanding and/or new bilateral and trilateral issues, which may require revising some USMCA provisions or adding new language on areas not currently addressed in USMCA. The parties also may choose to discuss certain bilateral or trilateral issues separately from the joint review process. Congress may consider whether and how to weigh in on the issues to be discussed at the review. In his December 2025 meetings with Congress, USTR Greer highlighted some potential topics for the joint review, including

- Bilateral trade issues such as dairy, digital services, and provincial bans on the distribution of U.S. alcohol (Canada); and agriculture, labor, and energy (Mexico);²⁶ and
- Potential revisions to the rules for duty-free trade among USMCA partners (“rules of origin”);²⁷

Congress may also debate whether the USMCA joint review is the appropriate forum for some issues, particularly longstanding bilateral disputes or discussions related to tariffs implemented by the United States in 2025, such as

- Tariffs on Canadian and Mexican goods under the International Emergency Economic Powers Act (IEEPA, 50 U.S.C. §§1701 et seq.);²⁸ and
- Global national security tariffs under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862, as amended) that affect key Canadian and Mexican sectors.²⁹

Congress is the branch constitutionally authorized to regulate commerce with foreign nations and may decide whether revisions to USMCA require congressional approval.³⁰ Revisions to the agreement that would require changes to U.S. law would require Congress to enact implementing legislation. Congress approved USMCA and enacted its implementing legislation under rules set out in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (TPA-2015, P.L. 114-26), which expired in 2021.³¹ Under TPA, Congress specified negotiating objectives and consultation requirements and allowed expedited consideration of implementing legislation for

²⁶ For more details, see CRS In Focus IF12595, *U.S.-Canada Trade Relations*, by Kyla H. Kitamura; and CRS In Focus IF11175, *U.S.-Mexico Trade Relations*, by M. Angeles Villarreal.

²⁷ For more information, see CRS In Focus IF10754, *Rules of Origin*, by Liana Wong; and CRS In Focus IF12082, *USMCA: Automotive Rules of Origin*, by Liana Wong and Kyla H. Kitamura.

²⁸ For more details, see CRS Insight IN12533, *U.S.-Canada Relations amid Tariffs Under the International Emergency Economic Powers Act*, by Peter J. Meyer and Kyla H. Kitamura; and CRS In Focus IF12765, *Mexico: Political Overview and U.S.-Mexican Relations*, by Clare Ribando Seelke and M. Angeles Villarreal.

²⁹ See, for example, CRS Insight IN12545, *Section 232 Automotive Tariffs: Issues for Congress*, by Kyla H. Kitamura.

³⁰ For more information, see CRS Report R47679, *Congressional and Executive Authority Over Foreign Trade Agreements*, by Christopher T. Zirkpoli.

³¹ For more on Trade Promotion Authority, see CRS In Focus IF10038, *Trade Promotion Authority (TPA)*, by Christopher A. Casey and Cathleen D. Cimino-Isaacs.

FTAs that sufficiently addressed those objectives and requirements. Congress could consider legislation adopting similar requirements, or, in the absence of TPA, may consider whether and how to set priorities for the Administration in preparation for and during the joint review, and how any required implementing legislation may be voted on.

In preparation for the joint review, some Members of Congress have written letters to the Administration that contain recommendations for issues to be addressed during the joint review.³² Congress also could consider amending the USMCA implementing legislation to clarify or strengthen Congress's role in the joint review process, such as whether to add congressional reporting requirements or specify whether reports should be submitted orally, in writing or both and whether USMCA revisions should require congressional approval and whether additional negotiating authority should be delegated to the executive branch.

Congress also may consider whether to utilize other legislative tools to influence the USMCA joint review process, including what topics should be discussed, and broader trade relations with Canada and Mexico, including the abovementioned current and potential U.S. tariffs on Canadian and Mexican goods under IEEPA and Section 232. For example, Congress could express its views through consideration of appropriations, authorizations, or legislative directives for USTR.³³ Congress also may consider whether to bolster or curb presidential authorities related to the imposition of tariffs on imports from Canada and Mexico, such as those under IEEPA and Section 232. Tariffs imposed on imports from Canada and Mexico under these authorities are separate from USMCA, which continued the duty-free trade for most products established in NAFTA. For example, Congress could pass legislation to codify the higher tariff rates imposed under IEEPA and Section 232 to further incentivize compliance with USMCA rules, or eliminate those tariffs for Canada and Mexico to emphasize the importance of continued duty-free trade in North America.

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³² See, for example, Letter from Rep. Rosa DeLauro, et. al, to President Donald J. Trump, November 3, 2025, <https://delauro.house.gov/sites/evo-subsites/delauro.house.gov/files/evo-media-document/delauro-usmca-letter-10.27.25.pdf>.

³³ For more details, see CRS Report R48733, *Trade-Related Agencies: FY2026 Appropriations, Commerce, Justice, Science, and Related Agencies (CJS)*, by Keigh E. Hammond.

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