

NAFTA Is Out, USMCA Is In: New US Immigration Policy

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As many people know the Trump administration has been vocal about how much they hated the NAFTA deal. The United States came up with a completely new deal, instead of re-working [NAFTA](#). Just before the midnight deadline on Sunday, the US and Canada agreed on a deal for USMCA or United States Mexico Canada Agreement. All three countries have been said to be celebrating this new deal that calls for equality in trade for each country. Mexican President Enrique Peña Nieto called it a “win-win-win agreement.” Canadian Prime Minister Justin Trudeau said North American trade had been “preserved and modernized for the 21st century.” US President Trump also said “the most important trade deal we’ve ever made, by far” about his own deal.

What Is USMCA and How Is It Different From NAFTA?

Although USMCA is a completely new name, it isn’t exactly a “brand new deal” as President Trump has described it. Vox online said this about the deal: “It’s basically [NAFTA](#) 2.0: an updated version of the nearly 25-year-old trade agreement, with major changes on cars and new policies on labor and environmental standards, intellectual property protections, and some digital trade provisions.”

There are several major changes in the USMCA compared to [NAFTA](#). (the following data has been provided by USA Today)

Higher pay for auto workers

Starting in 2020, 30 percent of vehicle production must be done by workers earning an average production wage of at least \$16 per hour. That's about three times the pay of the average Mexican autoworker. In 2023, the production percentage rises to 40 percent. This could result in job production moving from Mexico to the U.S.

More auto parts from member nations

Automakers can qualify for zero tariffs if 75 percent of their vehicles' components are manufactured in the U.S., Canada or Mexico, up from 62.5 percent under NAFTA. Seventy percent of the steel and aluminum used in vehicles will have to come from the U.S., Canada or Mexico.

Canada loosens dairy restrictions

Canada will ease restrictions on its dairy market and allow American farmers to export about \$560 million worth of dairy products. That's about 3.5 percent of Canada's total \$16 billion dairy industry.

Dispute process unchanged

Trade disputes will continue to be decided by a panel of representatives from all three nations.

Tariffs stay in place

U.S. tariffs of 25 percent on steel and 10 percent on aluminum from Canada and Mexico remain in effect as negotiations continue. If the U.S. imposes new auto tariffs, Mexico and Canada would be able to export up to 2.6 million passenger vehicles to the U.S. annually without any tariffs. Exports above that amount could be subject to tariffs. Pickup trucks built in both countries would be completely exempt from the tariffs.

Intellectual property rules stiffened

For first time, law enforcement officials can stop suspected counterfeit or pirated goods in any of the three countries. Harsher punishments will be added for pirated movies online and civil/criminal penalties for satellite/cable signal theft. The pact includes a slew of new rules for "strong and effective protection and enforcement of intellectual property rights."

SOURCE Office of the U.S. Trade Representative; Associated Press; Reuters; Bloomberg; USA TODAY research

When Will USMCA Be in Affect?

The three leaders are preparing to sign the USMCA before the end of November — possibly at the G20 summit in Buenos Aires, Argentina. But all three countries must still ratify it. In the meantime, debates in Canada, Mexico, and the US will play out over the following months about whether these revisions are wins or losses — and whether this new trade agreement is a real improvement on what came before.

Visas Under USMCA

It doesn't look like the new USMCA trade deal will change anything with regard to the [TN visas](#). Please see below from the CBC and Toronto Star, respectively:

CBC:

“No new professionals visas. Another goal of Canada’s negotiating team was to modernize the list of professions currently eligible for the special class of temporary work visas created under NAFTA known as [TN \(Trade National\) visas](#). It appears that list isn’t changing and no commitments have been made to increase the number of TN visas issued by the United States, or to otherwise make it easier for citizens to work across North American borders.”

Toronto Star:

“There were no changes related to “TN” visas for professional workers. Canada had wanted the list of eligible occupations expanded, while the U.S. had wanted it reduced; they settled on leaving it the same.”

This is great news for those who want to work between country lines such as businessmen and businesswomen, entrepreneurs, truck drivers, salesmen, bloggers, travelers, etc. [TN Visas through NAFTA](#) has been extremely popular which should continue its popularity through the USMCA.

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