

Before the
**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**
Washington, D.C. 20230

In the Matter of

Request for Comments on the Operation of
the Agreement between the United States of
America, the United Mexican States, and
Canada

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USTR-2025-0004

**COMMENTS OF THE
TELECOMMUNICATIONS INDUSTRY ASSOCIATION**

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INTRODUCTION

The Telecommunications Industry Association (“TIA”) welcomes this opportunity to provide input on the joint review of the United States-Mexico-Canada Agreement (“USMCA”).¹ TIA is a U.S.-based trade association and Standards Developing Organization that represents more than 400 trusted, global manufacturers of telecommunications equipment and services. TIA members design, produce, market, and manage the information communications technology (“ICT”) equipment and services that connect Americans and our partners around the world to high-speed broadband networks. TIA and its members strongly support the Administration’s goals to place American industry first and ensure American manufacturing and technological leadership.

TIA and its members remain strong supporters of the USMCA, which was negotiated and put into effect during President Trump’s first administration. The USMCA is an essential tool for the United States to develop its and its neighbors’ economies to compete on the global stage against global adversaries such as China. The agreement was a major advance in trade rules for the ICT industry that institutionalized new norms that facilitate the expansion of U.S. trade. The USMCA generally, including the protections for digital trade, is critical for the telecommunications industry and will continue to strengthen American innovation and competitiveness, particularly in emerging technologies such as artificial intelligence (“AI”).

Accordingly, the United States should use the USMCA review process to ensure that American manufacturers and consumers can continue to reap its benefits. The USMCA framework has helped grow the American economy and grow the almost two million jobs supported by exports to Canada and Mexico. Thus, as part of the joint review, the United States should confirm that it wishes to extend the term of the USMCA.²

Parallel with its confirmation to extend the USMCA, the United States should consider ways to hold our trade partners accountable for adherence to its terms and spirit. While ensuring the stability of the trade governance regime instituted by the USMCA is paramount, holding U.S. partners accountable to their commitments is also necessary to realize the full potential of the USMCA. Through enhanced accountability, we can build a strong foundation for a durable North American economic partnership to counter global adversaries such as China.

I. MAINTAINING THE USMCA IS ESSENTIAL TO SUPPORT U.S. MANUFACTURING IN THE TELECOMMUNICATIONS INDUSTRY

A. The USMCA Framework Drives U.S. Economic Growth, Including in the Telecommunications Industry

Trade facilitated by the USMCA supports the U.S. economy and jobs. By reducing barriers to trade and, in many cases, prohibiting discrimination against out-of-country suppliers,

¹ 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 Fed. Reg. 44869 (Sept. 17, 2025) (“RFI”).

² *Id.* at 44870.

the USMCA opens opportunities for U.S. companies to leverage and enter Mexican and Canadian markets, our largest trading partners.

United States companies and consumers significantly benefit from prosperous trade with Mexico and Canada. With over 500 million people, these countries account for over 30 percent of global GDP,³ thus creating a formidable economic trading bloc to rival foreign adversaries such as China. The United States exports over \$312 billion of goods and services to Mexico and Canada collectively,⁴ with almost \$2 trillion in total trade between the United States and each country.⁵ Over 1.7 million U.S. jobs are supported by exports to each country.⁶ The USMCA has been a key driver of this economic growth, with trade between the United States, Mexico, and Canada growing by 37 percent since the USMCA took effect.⁷

The U.S. telecommunications industry has benefited substantially from the USMCA regime. The United States exports over \$16 billion in telecommunications goods and services to Mexico and Canada collectively.⁸ And the exports of telecommunications goods support over 19,000 U.S. jobs.⁹ Wholesale repeal of or modifications to the USMCA that threaten to increase trade barriers would risk the range of benefits that have materialized since the USMCA's enactment.

B. The United States Should Prioritize Maintaining the USMCA to Support the U.S. Economy and the Telecommunications Industry

The USMCA has contributed substantially to the growth of the U.S. economy generally, including the telecommunications industry. During the review process, the United States should prioritize maintaining the USMCA framework in order to maintain the stability of trade relations between the United States, Mexico, and Canada. Stability promotes confidence in longer-term investments, which is especially important considering the complexity of modern supply chains

³ Diego Marroquín Bitar et al., *USMCA Review 2026*, CSIS, at 1 (Aug. 2025), https://csis-website-prod.s3.amazonaws.com/s3fs-public/2025-08/250818_Bitar_USMCA_Review.pdf (“CSIS USMCA Review Analysis”).

⁴ See *USMCA Trade Tracker*, Brookings Institute, <https://www.brookings.edu/articles/usmca-trade-tracker/#/goods> (last visited Oct. 29, 2025) (“Brookings Institute USMCA Trade Tracker”). Based on the total value of U.S. exports to Canada and Mexico in 2023.

⁵ CSIS USMCA Review Analysis at 1.

⁶ See Brookings Institute USMCA Trade Tracker.

⁷ CSIS USMCA Review Analysis at 2.

⁸ See Brookings USMCA Trade Tracker. Based on the latest available data from 2021 for goods classified under HS 8517 and from 2023 for telecommunications and information services.

⁹ See *id.* Based on the latest available data from 2021 for goods classified under HS 8517. Information is not available for the number of jobs supported by the export of telecommunications services.

and the associated costs of relocating or finding new suppliers in today's telecommunications market.

As a threshold matter, the United States should maintain the terms of both the preferential and non-preferential rules of origin ("ROO"). These thresholds are used to determine whether goods qualify for preferential tariff treatment, ensuring that inputs from countries not party to the agreement, such as China, cannot easily qualify for preferential treatment. In turn, the ROO promote manufacturing in the United States, Mexico, and Canada. Of particular importance to the U.S. telecommunications industry, the United States should ensure that the preferential ROO is maintained for products classified within HS 8517.62-8517.70 (which include various telecommunications equipment and devices), including Annex 4-B.¹⁰ The non-preferential ROO, which ensure that a party's rules for determining the origin of goods and services for purposes of covered government procurement are the same as applied to other parties,¹¹ also should be maintained to protect U.S. companies.

Additionally, the United States should make sure to maintain digital trade protections as reflected in the USMCA Digital Trade Chapter,¹² which is the gold standard for strong, enforceable commitments in trade agreements and should be preserved in its entirety. The development of e-commerce, innovation, and overall economic growth in the digital era is enabled by the free flow of data across borders. Similarly, data localization requirements impede innovation by making international communication more difficult and by increasing costs. Restrictions on where data can be stored and cross-border transactions are threats to U.S. ICT services such as networking, cloud computing, and data storage. Despite these harms to U.S. businesses, the Biden Administration attempted to align U.S. digital trade policies with countries like China by abandoning opposition to data localization, cross-border data restrictions, source code disclosure requirements, and discrimination against U.S. digital products.¹³ The United States should reject these positions and support digital trade protections for U.S. companies.

Rules in these areas are critical to ensuring U.S. companies can maintain their competitiveness in North America and globally. The United States should ensure these measures are retained to support the Administration's goals to put American industry first and ensure American technological leadership all over the world.

¹⁰ See Agreement between the United States of America, the United Mexican States, and Canada, Article 4, Annex 4-B-140 (July 1, 2020).

¹¹ *Id.*, Article 13.4.5.

¹² *Id.*, Chapter 19 (Digital Trade).

¹³ See Meredith Broadbent, *USTR Upends U.S. Negotiating Position on Cross-Border Data Flows*, CSIS (Dec. 12, 2023), <https://www.csis.org/analysis/ustr-upends-us-negotiating-position-cross-border-data-flows>.

II. WHILE MAINTAINING THE USMCA FRAMEWORK, THE U.S. GOVERNMENT SHOULD HOLD PARTNERS ACCOUNTABLE TO THE TERMS OF THE AGREEMENT

The United States, while maintaining the fundamental framework of the USMCA, should push for reforms to ensure that all parties play by the same rules. Holding trading partners accountable for their commitments while keeping the fundamental foundation of the USMCA intact will help build a strong foundation to continue expanding trade within North America and grow the U.S. economy. In particular, during the USMCA review process, the United States should address the following areas.

Support the use of trusted telecommunications vendors. The U.S. government has determined that the use of equipment from untrusted vendors—including companies based in China such as Huawei, ZTE, and China Unicom—in telecommunications networks risks national and economic security.¹⁴ The deployment of this equipment from untrusted sources presents significant national security risks to the United States, particularly when deployed in areas along the U.S. border.¹⁵

Canada has taken action to phase out these insecure products by 2027.¹⁶ However, Mexico seems to welcome Chinese communications companies with open arms by purchasing and using their equipment in both public and private networks. For instance, from 2022–2024, Huawei was the fastest-growing cloud provider in Mexico;¹⁷ Mexico has granted China Unicom a license to operate in the country for 30 years;¹⁸ and ZTE is providing services to multiple network operators in Mexico.¹⁹ Further, Mexico’s Comisión Federal de Electricidad, the government agency responsible for building and operating many of Mexico’s government-owned communications networks, has abrogated its USMCA commitments by not giving adequate notice of public tenders, not providing enough time for suppliers to respond, and not using

¹⁴ See, e.g., *List of Equipment and Services Covered By Section 2 of The Secure Networks Act*, FCC (July 23, 2025), <https://www.fcc.gov/supplychain/coveredlist>.

¹⁵ Ryan C. Berg & Henry Ziemer, *Mexico’s Telecommunications Law: Bolstering Access or Curtailing Competition?*, CSIS (May 15, 2025), <https://www.csis.org/analysis/mexicos-telecommunications-law-bolstering-access-or-curtailling-competition>.

¹⁶ Dan Swinhoe, *Canada to ban Huawei and ZTE from 5G networks*, Data Center Dynamics (May 20, 2022), <https://www.datacenterdynamics.com/en/news/canada-to-ban-huawei-and-zte-from-5g-networks/>.

¹⁷ Press Release, Huawei, Huawei Cloud increases its growth in Mexico fivefold since 2022 (Nov. 20, 2024), <https://www.prnewswire.com/mx/comunicados-de-prensa/huawei-cloud-aumenta-cinco-veces-su-crecimiento-en-mexico-desde-2022-302310759.html>.

¹⁸ Arturo McFields, *Trojan horse at the border: China’s Huawei operates freely in Mexico*, The Hill (Mar. 16, 2025), <https://thehill.com/opinion/international/5196544-chinese-telecoms-huawei-mexico/>.

¹⁹ See Vaughan O’Grady, *ZTE brings virtualisation tech to Mexican MVNO*, Developing Telecoms (Mar. 18, 2024), <https://developingtelecoms.com/telecom-technology/telecom-cloud-virtualization/16429-zte-brings-virtualisation-tech-to-mexican-mvno.html>; Press Release, ZTE, ZTE reaches milestone with over 500,000 ONTs delivered to Mexico’s Megacable (July 13, 2021), <https://www.zte.com.cn/global/about/news/20210713e1.html>.

technology-neutral specifications.²⁰ The United States should use the opportunity presented by the USMCA review to pressure countries to use trusted vendors, including by reviewing their compliance with their government procurement and other USMCA commitments.

Oppose digital services taxes (“DSTs”). Last year, Canada enacted a three percent DST on online marketplaces, online advertising, social media platforms, and user data, retroactive to 2022.²¹ As the United States recognized in its dispute settlement consultation request, this DST appears to target and discriminate against U.S. companies providing Canadian digital services.²² However, the USMCA prohibits parties from treating other parties’ service suppliers, investors, and investments no less favorably than its own service suppliers, investors, and investments.²³ The United States should continue to pressure Canada to align its law and practices with its USMCA commitments and modify or repeal its DST.

Dismantle duplicative and discriminatory testing requirements. Mexico has instituted in-country testing requirements for mobile telecommunications products under IFT-012-2019.²⁴ Government demands that businesses use testing and certification facilities located within their home country collide with the complexities of modern ICT global supply chains and pose substantial burdens on U.S. companies, including by requiring redundant testing done in the United States and around the world without benefiting Mexican consumers.²⁵ These requirements increase costs for U.S. companies that sell mobile devices and disrupt U.S. companies that provide testing, inspecting, and certification services.²⁶ They also violate the USMCA’s prohibition that parties may not require a conformity assessment body to be located within its territory or have an office within its territory and to treat conformity assessment bodies located in the territory of other parties no less favorably than bodies within a party’s own

²⁰ See Letter from Alliance for Trade Enforcement et al., to Ambassador Katherine Tai, U.S. Trade Representatives, at 3 (June 29, 2023), <https://enforcementalliance.org/wp-content/uploads/2023/06/AFTE-Mexico-Letter.pdf> (“2023 Trade Enforcement Letter”); see also USMCA Articles 13.5 (Publication of Procurement Information), 13.6 (Notices of Intended Procurement), 13.13 (Time Periods), 13.11 (Technical Specifications).

²¹ See 2025 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program, United States Trade Representative, at 45 (Mar. 2025), <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf> (“USTR Trade Barriers Report”).

²² See Press Release, U.S. Trade Representative, United States Requests USMCA Dispute Settlement Consultations on Canada’s Digital Services Tax (Aug. 30, 2024), <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2024/august/united-states-requests-usmca-dispute-settlement-consultations-canadas-digital-services-tax>; U.S. & Canada Consultation Request (Aug. 30, 2024), https://ustr.gov/sites/default/files/08.30.2024%20U.S.%20Consultations%20Request%20-%20Canada%20DST_0.pdf;

²³ See USMCA Articles 14.4.1, 14.4.2, & 15.3.1.

²⁴ USTR Trade Barriers Report at 264.

²⁵ See Letter from Alliance for Trade Enforcement et al., to Ambassador Katherine Tai, U.S. Trade Representative, at 2 (Mar. 24, 2021), <https://enforcementalliance.org/wp-content/uploads/2021/03/AFTE-letter-to-USTR-on-Mexicos-Adherence-to-USMCA.pdf>.

²⁶ *Id.*

territory.²⁷ Accordingly, the United States should push Mexico to accept results from globally accredited labs in line with its USMCA commitments.

Support fair spectrum allocation. Mexico charges exorbitant spectrum fees in a manner that discriminates against competition from U.S. companies.²⁸ In addition to holding auctions for spectrum, Mexico requires spectrum licensees to pay an annual fee based on the amount of spectrum held.²⁹ The fee structure benefits larger, entrenched network operators—particularly Mexico’s dominant telecommunications supplier, América Móvil’s Telcel (which has steadily maintained a 70 percent market share despite reforms designed to improve the competitiveness of Mexico’s telecommunications market)³⁰—that hold licenses to use frequency bands with higher amounts of users and, thus, lower per-user cost of fees.³¹ This fee structure inhibits competition from smaller operators and new entrants, including those from the United States.³² The United States thus should engage with Mexico to align its spectrum allocation practices with the American approach and international best practices to reduce or eliminate its annual fees.³³

End preferential treatment for Mexican Internet State-owned enterprises (“SOEs”). Mexico has taken several actions to benefit SOEs that provide Internet services in the country. For instance, in 2024, Mexico enacted a series of actions that effectively allowed the state-run Federal Electricity Commission’s (“CFE”) Telecommunications and Internet for All project to take over a public-private partnership to provide Internet services in the country.³⁴ Mexico has directed substantial subsidies to the project, disadvantaging competitors.³⁵ Additionally, in October 2024, Mexico enacted changes to its constitution establishing that Internet service provided by the State is not considered a monopolistic activity, thus potentially exempting them from competition laws that restrict private sector companies.³⁶ The Mexican government also

²⁷ USMCA Article 11.6.1–2.

²⁸ See USTR Trade Barriers Report at 266-67.

²⁹ See *id.*

³⁰ See Ryan C. Berg & Andrew Sady-Kennedy, *Spectrum Fees: One of Mexico’s Greatest Obstacles to a More Competitive Telecommunications Sector*, CSIS (Sept. 7, 2022), <https://www.csis.org/analysis/spectrum-fees-one-mexicos-greatest-obstacles-more-competitive-telecommunications-sector> (“CSIS Mexico Spectrum Report”); USTR Trade Barriers Report at 266; 2023 Trade Enforcement Letter.

³¹ CSIS Mexico Spectrum Report.

³² *Id.*

³³ See USTR Trade Barriers Report at 266.

³⁴ Ryan C. Berg & Henry Ziemer, *A Competitive ICT Sector is Key to Mexico’s Nearshoring Attractiveness*, CSIS, at 3 (Feb. 2025), https://csis-website-prod.s3.amazonaws.com/s3fs-public/2025-02/250211_Berg_Mexican_ICT.pdf.

³⁵ *Id.*

³⁶ See, Edmond F. Grieger & Ariel Garfio Vázquez, *New Constitutional Reform in Strategic Areas and Companies (Energy, Railroads, Telecommunications and Natural Resources)*, Von Wobeser, at 2 (Oct. 31, 2024), https://vonwobeser.com/images/PDF_news/10.2_Constitutional_Reform_ENG.pdf.

has taken other actions that unfairly advantage state-run operations, such as by allowing the public company CFE to hold commercial concessions and public concessions simultaneously.³⁷ This unfair advantage for a state-run operator compromises the principle of competitive neutrality and violates several USMCA provisions designed to ensure SOEs compete on a level playing field with private companies when providing commercial services.³⁸

End discriminatory roaming rate regulations. Changes to Mexico's telecommunications law that recently became effective introduced new obligations for operators to provide roaming services under the terms, conditions, and rates to be set by the newly established Telecommunications Regulatory Commission.³⁹ These changes directly impact the use, enjoyment, and rights of spectrum owners who lawfully license spectrum. The imposition of these obligations undermines their legal certainty and property rights, producing effects akin to an indirect expropriation by restricting their economic freedom. The United States should push back against this regulatory overreach.

As it stands currently, the USMCA is a strong foundation for a durable North American partnership that promotes the development of the U.S. economy and domestic ICT manufacturing. Notwithstanding these benefits, the Trump Administration should take steps to encourage a renewed commitment to the USMCA's key provisions. Only by holding our trade partners truly accountable can we build on this partnership and help counter the economic power of global adversaries such as China.

CONCLUSION

By reducing unnecessary trade barriers, the USMCA has helped grow the U.S. economy and support U.S. jobs while building a strong economic bloc to compete against U.S. global adversaries. The United States should confirm that it wishes to extend the term of the USMCA so that American businesses, consumers, and employees can continue to benefit. The Administration should not institute an annual review process that would undermine investor confidence. Instead, the United States should continue to take steps to hold its partners accountable to the terms of the agreement. Doing so will build a strong foundation for a North American economic partnership that can counter U.S. foreign adversaries and advance U.S. economic and national security interests. TIA looks forward to supporting these efforts in the months and years ahead.

³⁷ See *Analysis of the Telecommunications and Broadcasting Law: Increase in User Rights and Concessionaire Obligations*, Acedo Santamarina, <https://acsan.mx/en/analysis-of-the-telecommunications-and-broadcasting-law-increase-in-user-rights-and-concessionaire-obligations> (last visited Oct. 31, 2025).

³⁸ See, e.g., USMCA Articles 18.18 (prohibiting favorable treatment for suppliers of telecommunications services owned or controlled by the government); *id.* 22.4 (requiring SOEs act in accordance with commercial considerations when selling monopoly services).

³⁹ Adriana Alarcón, *Senate Ratifies New Telecommunications Regulatory Commission*, Mexico Business News (Oct. 17, 2025), <https://mexicobusiness.news/infrastructure/news/senate-ratifies-new-telecommunications-regulatory-commission>.

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