

Testimony of
MEMA, The Vehicle Suppliers Association
Before the
Office of the U.S. Trade Representative
on the
Operation of the Agreement
Between the United States of America,
The United Mexican States, and Canada
December 4, 2025

Good afternoon. My name is Ana Meuwissen, and I am the Senior Vice President of Government Affairs for MEMA.

MEMA, The Vehicle Suppliers Association, is the leading trade association in the U.S. for vehicle suppliers, parts manufacturers, and remanufacturers. The mobility sector depends on the resiliency and strength of suppliers, and MEMA has been the voice of the U.S. supplier industry since 1904.

The vehicle supplier industry is an intrinsic and essential part of the U.S. economy. MEMA's members design and manufacture the technology, components, and services that enable the production of new vehicles, as well as the essential maintenance and repair of the more than 295 million highway vehicles that are currently on the road in the U.S.

Automotive and commercial vehicle suppliers represent the largest sector of manufacturing jobs in the United States, directly employing more than 930,000 individuals. Suppliers operate facilities in all fifty states, with significant concentrations in the Midwest and Southeast. The vehicle supplier industry continues to grow, adding 61,000 jobs in the U.S. since 2015 and encompassing new types of jobs and opportunities for Americans. The vehicle supplier sector shares the Administration's objective of strengthening the domestic manufacturing base.

MEMA and its member companies appreciate the opportunity to provide testimony before the Office of the United States Trade Representative (USTR) on the benefits of the United States-Mexico-Canada Agreement (USMCA) to the motor vehicle supplier sector.

Since its implementation in July 2020, the USMCA has enhanced U.S. job creation and the overall economic footprint of the motor vehicle supplier sector. MEMA's more than 900 member companies, representing every segment of the supplier industry (Original Equipment and Aftermarket, as well as Passenger Car and Commercial Vehicle), strongly support the

continuation of this successful agreement in its current form. As we assess the landscape of the past five years, it is clear that the requirements set forth in the Automotive Chapter of the agreement have achieved tangible gains. A July 2025 International Trade Commission (ITC) report highlighted growth in the auto parts sector over the past few years, stating that U.S. parts production increased from \$311.8 billion in 2019 to \$349.0 billion in 2024. The ITC report further highlights the reduction of parts imports from around the world during the years covered by the USMCA framework.

MEMA is grateful for the vision of President Trump in creating the USMCA. MEMA believes that the overarching goal of the review should be to preserve and strengthen the USMCA, enabling additional growth by vehicle suppliers and other segments of the U.S. economy. Overall, MEMA members have expended significant effort and resources over the past few years to achieve USMCA compliance. Suppliers have consistently emphasized the significant benefits of the agreement. MEMA acknowledges that some refinements may be necessary to address new issues. However, the underlying foundation of the agreement and the provisions which have successfully driven business investment and planning should be maintained through the upcoming review.

The USMCA is a legacy achievement of President Trump. The President's strategic goal of establishing a more comprehensive and modern framework has now been implemented as the most stringent automotive agreement in the world. Together with the Tax Cuts and Jobs Act (TCJA), the USMCA contributed significantly to enhancing the business climate in the U.S. and ensuring the U.S.'s global competitiveness.

Consequently, MEMA's member companies urge the preservation of key provisions of the Automotive Chapter of the USMCA, including maintaining the current framework for the automotive rules of origin. In the case of light-duty vehicles, many suppliers are in the midst of re-aligning supply chains in order to fully meet the specific requirements. In certain cases, it has not been possible to implement these changes within a five-year window, as new sub-suppliers and vendors had to be identified, validated and approved. The situation is even more critical for the commercial vehicle suppliers who are seeking to meet the full RVC requirements by July 2027. Any notable changes would negatively impact those efforts and create further volatility for this portion of the industry.

MEMA recently conducted an internal study of its members to properly capture the industry's sentiment with regard to the USMCA. Amongst the highlights were the following points:

- Members believe that regional manufacturing has preserved U.S. jobs and afforded benefits for American consumers.
- Members expressed strong support for the current USMCA framework, emphasizing its effectiveness for their business and its critical role in creating cost-competitive, integrated regional supply chains.
- Over 70% of respondents to the MEMA internal survey identified North America as the core region for sourcing and manufacturing for their businesses. The figure rose to 83% for light vehicle core parts suppliers.

The USMCA framework has established a clear guide for the future, delivering the essential stability necessary for the large-scale investments completed and pledged by vehicle suppliers. Because the industry relies on multi-year, strategic product cycles, this stability is critical to capital planning. The USMCA has created the fertile ground necessary for capital investment. Any notable disruption to this intrinsic fabric of the agreement will put these gains, and future benefits, at risk.

Vehicle suppliers have openly communicated their multi-year efforts to shift their supply chains to North America. These movements demonstrate a significant commitment from suppliers to achieve the full vision of the North American market. Nonetheless, as MEMA has shared with the Administration, there are select inputs and critical materials that are not available and/or produced in North America. The current USMCA framework allows for this reality and does not penalize manufacturers. MEMA urges the Administration to continue this delicate balance.

MEMA further wishes to highlight that small and medium-sized entities represent over 60 percent of the association's membership. These are main street companies with deep roots to their local communities. They represent a legacy of U.S. leadership, innovation and growth. It is essential to note that significant changes to the USMCA, particularly if they are imposed in a short timeframe, will jeopardize the business operations of smaller suppliers.

Conclusion:

MEMA appreciates this opportunity to share the supplier industry's perspective.

MEMA views the trilateral agreement as one of the many tools that the Administration can use to enhance and expand U.S. manufacturing. We are grateful for Ambassador Greer's leadership and the Administration's recognition of the USMCA's importance.

Suppliers, and the more than 930,000 employees represented in communities across the U.S., stand prepared to work with USTR and the Trump Administration to advance U.S. manufacturing. We urge the Administration to continue its dialogue with vehicle suppliers as the review proceeds, and to chart a path forward that will provide stability for suppliers and enable greater investment in the United States.