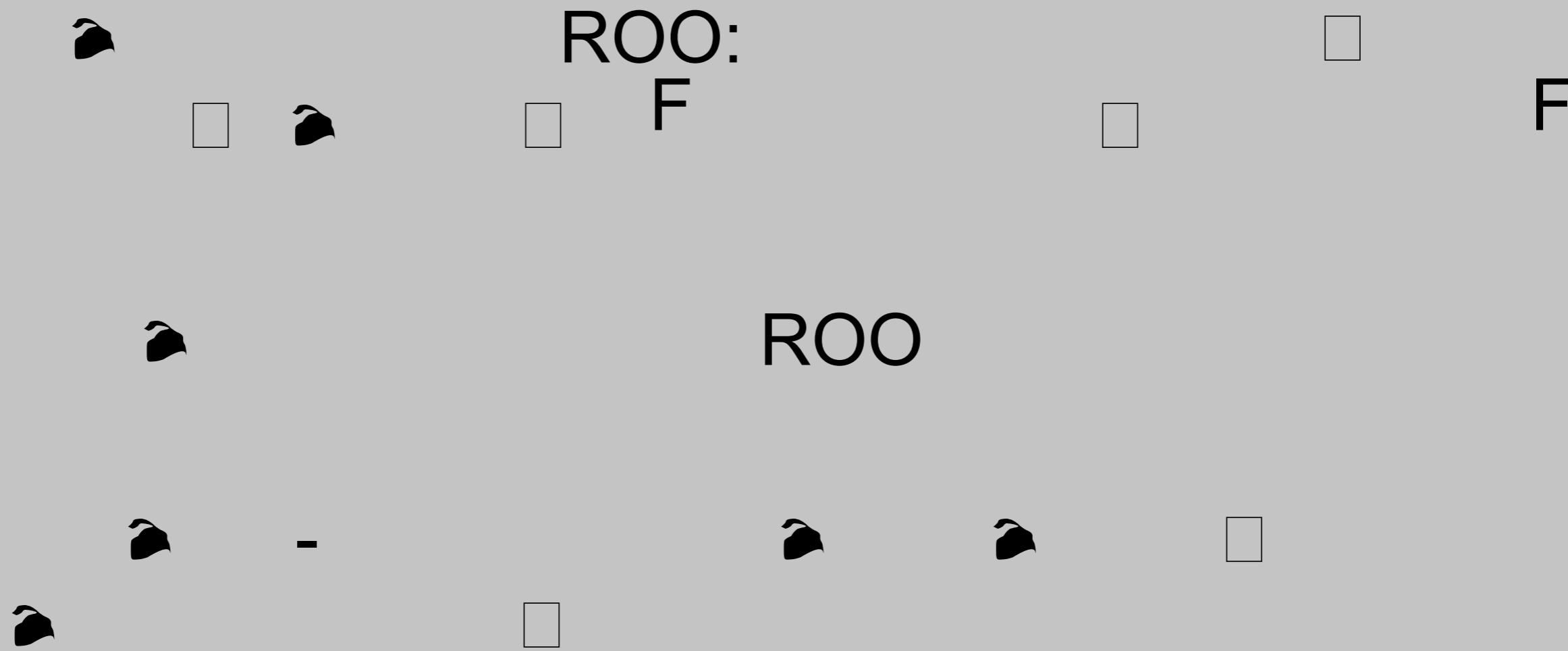


Three Key Public Fac



Liberal  **Re**  **ic i e ROO**

! "#\$%&'()*+,\$-./00,1&*\$233+

-
-
- yarn must originate, fabric must originate (using originating yarn), and apparel must be cut/sewn/assembled in FTA area
-
-

%44\$, -. \$%&' ()*&+\$, -. \$/00, 1&*

! . .

-

! :

:

A

-

(-)

!

G d B e NAFTA, Hell CUSMA

!

NAFTA A ROO

- NAFTA auto ROO already restrictive (and complicated):
 - regional value content (RVC) calculation based on tighter “net cost” (excludes profits and various over-head costs, but North American R&D (but not offshore R&D) included)
 - 62.5% RVC for cars and light trucks, and their engines and transmissions
 - 60% RVC for heavy trucks, their engines and transmissions, and all other auto parts
 - tracing of designated non-originating inputs used to make major components (e.g, engines, transmissions)

&' () *%* +, "%- . .

• **high** RVC le el : 75% f a e ge ca a d ligh ck a d
hei c e a (e.g., e gi e , a i i , a le , ee i g
e), 70% f hea ck , a d 5% 70% f he a

• **new:** ach c e a f ca a d ligh ck al be
igi i g (ee i ROO)

• **new:** 0% ee a d al i i ehicle be N h
America (n a d e f eel)

• **new:** lab Value C e (LVC): 40-45% ca / ck c e
e made i a a i g ke a lea US\$16 e h

4#5%/7, "0\$%"0%* \$\$#\$\$829%; </7,

- a a e ble a d aj a c a ie a e gl bal - efe
d ce i aj e i he e l, b ca ce gl ball
- NAFTA a l ch ai ke f c e i i e e f N h
Ame ica , p i e gl bal e i i
- R O i c c l i a c c - CUSM a R O O e
e i c i e a d a d i a i el b de e
- ca f R O D a MFN d ie ce h e
(i cl di g) -
- i a i a ie f ach c a a ach del i e

F Canada: Relief



N J Ta iff-P efe ence ROO

- he ROO ca i ac d c i l ca i a d l chai
- ed U.S. bid (U.S.\$12,500) f c e
cha e f elec c ehicle ade i Ame ica :
- af e 5 ea \$7,500 l ehicle ade i Ame ica
(ROO = a e m bled + ?)
- \$500 if ba e ade i U.S. (ROO?)
- \$4,500 if ehicle ade i i i ed la
- e ial maj egi i i ac Ca ada a ec
- ible l i : e C U MA ROO f eligibi

ROO S m U

- ROO ed i fl e ce d c i l c a i a d h a e (e- h a e) l c h a i (i c l d i g i h i a F T A a e a):

- (' 531312)&D30D)31+*,4)5%/)2%%() 6 *4,)> ')%/3231#,312

- 0%1, ' 1,)\$ ' l ' \$)&D' 1)*4')7 JH), ' 4,4

- %,D' /)/ ' K*3/ ' 6 ' 1,4)" ' F2F=)LJH)31)HEGBM)#*,%)7 NN0)7 8 9@

- c e i g l c h a i c a d i e c l i a c R O O e g i a i (e., TPP a d e i l e a d a a e l)

- e c e i a f f e c i g d c i a d l c h a i d e e d m a f a c (e.g., a i f f l e e l , c e i e c d i i)

- e l a l a i h e d e a i l

D CUSMA ROO Ma e f Canada

-

RIU and Regional Value Chain

!



CUSMA: Core Parts Dispute

- ROO disputes rare -