

To: *Chairman Crapo, Ranking Member Wyden, and Members of the Senate Finance Committee*
From: *Jennifer Young, Chief Executive Officer, Technology Councils of North America (TECNA)*
P.O. Box 159, Sewickley, PA 15143
Date: *February 25, 2026*
Subject: *Statement for the Record in Support of the United States–Mexico–Canada Agreement (USMCA)*

Senator Mike Crapo
Chairman of the Senate Finance Committee
239 Dirksen Senate Office Building
Washington, DC 20510

Senator Ron Wyden
Ranking Member of the Senate Finance Committee
221 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Crapo, Ranking Member Wyden, and Members of the Senate Finance Committee:

Thank you for the opportunity to submit this written statement for your important hearing on Thursday, February 12, 2026, *The U.S.–Mexico–Canada Agreement: Evaluating North American Competitiveness*.

My name is Jennifer Young, and I serve as the Chief Executive Officer of the Technology Councils of North America (TECNA). TECNA represents approximately 60 regional technology trade organizations that collectively serve over 22,000 innovative, technology-driven small businesses throughout North America. These companies—ranging from enterprise software developers and medical device startups to AI research firms and manufacturing system engineers—are the engine of innovation and job creation on this continent.

With the USMCA’s joint review approaching in July 2026, the decisions this body makes in the coming months will shape the economic trajectory of the United States for a generation. As the Committee undertakes its review of this foundational trade agreement, we write to express our support for the USMCA and to highlight its importance to small and medium-sized innovation enterprises across the United States. Many of our U.S. businesses, workers, and local economies rely on seamless North American trade partnerships to operate efficiently, stay competitive, and keep costs low. The USMCA has provided the framework enabling American companies to build integrated operations, plan long-term investments, and compete globally from a position of strength.

Canada is America’s Irreplaceable Critical Mineral Supplier

Most of what Canada sells to the United States is not finished products competing with American goods, but rather essential inputs that U.S. companies rely on to manufacture their own products. Canadian exports to the U.S. include raw materials, forestry products, agricultural commodities, auto parts, critical minerals, and energy—all of which are vital to American businesses. Canada is a major supplier of critical minerals essential to U.S. manufacturing and technology industries, providing approximately 50% of U.S. refined zinc, 32% of U.S. tellurium, 26% of U.S. niobium (critical for defense), and 23% of U.S. nickel and aluminum. Canada is the only North American producer of gallium—a mineral China recently banned from export to the U.S.—and the continent’s sole source of cobalt sulfate for EV batteries. These are not peripheral inputs—they are the building blocks of the industries America must lead in the 21st century, and Canada is their most irreplaceable supplier.

North American Supply Chains are Critical Supply Chains

The automotive sector, aerospace industry, and tech manufacturing have spent the past 75 years building a seamless North American supply chain. Many parts—like steel and aluminum—cross the border up to 8 times before final assembly. Mexican and Canadian suppliers contribute over 40% of U.S. vehicle parts, directly supporting 3 million American jobs. The USMCA protects and strengthens these integrated supply chains that are vital to American competitiveness. Without the certainty and reduced barriers the agreement provides, U.S. manufacturers would face higher costs—potentially \$20–30 billion in annual cost increases, supply chain disruptions would ripple across industries, and American competitiveness would be significantly weakened. The USMCA is vastly different from trade relationships with other countries. Our relationship with Canada and Mexico has built an integrated continental economy over decades that benefits all three nations and strengthens North American competitiveness globally.

Canada is America's #1 Export Customer

American jobs depend on what we export to Canada, not just on what we import. Canada is America's second largest trading partner, but number one export market. When it comes to purchasing American products, Canada is the single largest buyer by a significant margin, with nearly \$350 billion in goods and services crossing its border in the first three quarters of 2024. Additionally, 34 U.S. states export more goods to Canada than to any other foreign economy.

The USMCA has strengthened and expanded these export opportunities, creating and sustaining American jobs across the country. In 2025, U.S. goods exports to Canada reached \$336.5 billion. What's more, our services exports added another \$90.3 billion, giving the United States a \$33.2 billion services trade surplus with Canada—a consistent, critical sector surplus for our economy. The two-way investment relationship further underscores the depth of this integration: the U.S. holds a major foreign direct investment (FDI) position in Canada of approximately \$452 billion, while Canada is the fourth-largest source of FDI in the U.S. economy at approximately \$672 billion—a combined two-way investment relationship of nearly \$1.2 trillion. This is not a trading relationship that can be casually disrupted without profound economic consequence.

American Companies Rely on the USMCA for Seamless Digital Trade

Beyond traditional manufacturing, the USMCA has been critical to the digital services economy and trade. The USMCA explicitly prohibits duties on digital trade products and protects cross-border data flows. The U.S. exports billions of dollars in digital services to Canada each year, including cloud computing, financial technology, artificial intelligence solutions, and IT consulting. These services have historically operated in a largely tax-free manner, as Revenue Canada has long excluded many of these U.S. services from taxation, allowing American businesses to remain competitive in the Canadian market while keeping costs low for Canadian consumers.

Canada enacted a 3% Digital Services Tax (DST) in June 2024, retroactive to January 2022, which has already become a flashpoint in bilateral relations. The USMCA provides the structured dispute settlement framework—the strongest enforcement mechanism in any trade agreement in history—to resolve precisely these kinds of emerging digital trade disputes through negotiation rather than escalation. If the USMCA were to lapse, it would open the door to new digital trade barriers and discriminatory taxes that would raise costs, disrupt integrated digital operations, and undermine the competitiveness of American technology firms in one of their most important markets. Without the USMCA, there is no established forum to challenge

discriminatory digital taxes or data localization requirements, leaving American tech firms without recourse—at an estimated cost of \$2.3 billion annually and thousands of American technology sector jobs.

Our Request to Congress

History teaches us that trade uncertainty and disruption are costly, unnecessary, and difficult to unwind once they take hold. When predictability is undermined, it creates ripple effects that harm industries, raise costs for consumers, and stifle innovation. The July 2026 joint review, per Article 34.7 of the agreement, offers a historic opportunity: policymakers can affirm extension of the USMCA to 2042 without full renegotiation, locking in these gains for sixteen years and delivering the long-term certainty that businesses need to invest, hire, and grow. Instead of introducing new uncertainty into North American commerce by weakening or reopening the USMCA, we urge policymakers to prioritize policies that strengthen American businesses by preserving this agreement's framework for efficient trade, reducing barriers, and maintaining our competitive edge in the global economy.

We welcome the opportunity to discuss this issue further and work with policymakers to ensure that American businesses and workers continue to benefit from a strong, stable North American trade framework that supports North American—and U.S.—competitiveness. Please feel free to contact me directly at jyoung@tecna.org or 412-545-3493.

Respectfully Submitted,

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Chief Executive Officer

Technology Councils of North America (TECNA)