

Report from Manitoba's Senior Representative to the United States on the CUSMA Review

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Ahead of the 2026 CUSMA/USMCA review this summer, Manitoba stakeholders are calling for stability and consensus to North American trade, warning that unilateral tariffs and regulatory uncertainty pose a greater threat to the provincial economy than traditional trade barriers.

Manitoba responded immediately to the second Trump administration, convening a US Trade Council comprised of members from various industries and sectors to address concerns from Manitobans about tariffs.

This consensus report follows a series of in-depth consultations involving 118 business, labour, and Indigenous groups to identify top trade objectives and concerns. The study included members of the US Trade Council and representatives from agriculture, critical minerals, culture, manufacturing, and transportation during March and April 2026.

The scope of the consultations included:

- Issues specifically related to the CUSMA review.
- Areas where Canada and Manitoba can act outside of the review process to improve North American trade.
- Identification of areas causing trade barriers

Key Findings:

- Manitoba stakeholders emphasized that CUSMA remains foundational to Manitoba's export dependent economy, providing tariff free, rules based access to the United States and Mexico that underpins investment decisions, supply chain integration, and employment across agriculture, manufacturing, and services.
- Across all sectors, participants stressed that predictability and stability matter as much as market access. Sudden or unilateral trade actions—particularly tariffs and non tariff barriers—were repeatedly identified as more damaging than the existence of tariffs themselves, creating uncertainty that delays investment and disrupts integrated production.
- Stakeholders strongly supported preserving the trilateral nature of CUSMA, noting that Manitoba firms operate within deeply integrated North American value chains where goods, services, data, and people cross borders multiple times.
- While there was broad support for preserving core CUSMA disciplines, stakeholders also viewed the review as an opportunity to improve implementation and enforcement, strengthen protections against unilateral actions, and modernize rules to reflect digital trade, SMEs, and evolving regulatory realities. This could include developing a digital trade chapter, strengthening temporary entry rules, and modernizing the rules of origin to reflect the global nature of many supply chains.
- Many stakeholders identified the need to clarify and simplify Rules of Origin (ROO) requirements that impact key Manitoba industries such as manufacturing and aerospace in order to reflect the integrated nature of production across North American industries.

Key Recommendations:

- **Preserve tariff free, rules based trade** as the cornerstone of CUSMA, particularly for export oriented agriculture, advanced manufacturing, and service providers.
- **Protect against unilateral and extraterritorial measures** that undermine predictability, including sudden tariffs and sub national regulations that fragment integrated markets.
- **Strengthen dispute resolution mechanisms**, including faster panel formation and more effective interim protection.
- **Reduce border friction and administrative burden**, especially for SMEs, through expanded digital documentation, clearer guidance, and consistent enforcement.
- **Ensure CUSMA evolves with the economy**, reflecting digital trade, modern services, and emerging industrial sectors critical to Manitoba's growth.

Detailed Findings By Sector

Agriculture: Export Oriented Businesses

Items to be Preserved in CUSMA

- Stakeholders repeatedly emphasized that **tariff free access to the markets** is fundamental to Manitoba's export oriented agricultural model, noting that producers produce more agricultural products than we can consume domestically and therefore depend on predictable access to U.S. and Mexican buyers.
- Participants stressed the importance of **science based sanitary and phytosanitary (SPS) disciplines** that protect against cross-border spread of diseases, pathogens, and invasive species among other things. Participants indicated that while the current system for the most part, works, its value lies in limiting arbitrary or duplicative certification requirements that slow shipments and increase costs.
- Manitoba producers and exporters highlighted the need to preserve **integrated North American supply chains**, describing production systems where crops, livestock, feed, and processed inputs routinely cross borders multiple times before reaching final markets.
- Stakeholders underscored the importance of **predictable border administration**, including consistent interpretation of documentation and inspection requirements, as a core benefit of the existing agreement.

Supply Managed Sector Items to be Preserved in CUSMA

- Stakeholders were unequivocal that **existing supply management frameworks must be preserved**, including current over quota tariffs and tariff rate quota (TRQ) structures.
- Participants emphasized that **stability and predictability** in supply managed sectors are essential to long term planning, investment, and farm viability.
- The current balance between market access commitments and domestic policy flexibility was viewed as a critical outcome of CUSMA that should not be reopened.

Agricultural Processors

Items to be Preserved in CUSMA

- Agricultural processors highlighted the importance of **tariff free access for processed food products**, which supports value added production and rural employment in Manitoba.
- Stakeholders stressed the importance of **integrated processing and distribution networks**, where raw agricultural inputs, intermediate goods, and finished products move seamlessly across North America.
- Participants emphasized that predictable access to imported inputs is essential to maintaining competitive processing operations in Manitoba.

Aerospace and Defence

Items to be Preserved in CUSMA

- Stakeholders stressed the need to **maintain tariff free market access** for aerospace components and defence related manufacturing inputs, noting that tariff pass through has contributed to **customer dissatisfaction due to tariff pass through costs**.
- Participants emphasized preserving practical **Rules of Origin (ROO)** treatment for aerospace, pointing to **increased challenges identifying the country of origin for catalogue parts** and the reality that **aerospace is a global industry, and parts/equipment are expensive**.
- Stakeholders identified **mobility provisions** as a core CUSMA benefit, calling to **preserve ease of movement for professionals** and flagging increasing delays/denials for **engineers and intercompany staff traveling to U.S. branches**.
- Industry asked that Canada preserve and operationalize **Temporary Entry** commitments, including restoring **faster TN (CUSMA Professional) visa processing (i.e. revert to pre-Trump timelines)**.
- Aerospace and defence stakeholders highlighted the importance of procurement carveouts, **specifically to keep the CP (country procurement) exception for defence**.

Heavy Vehicles and Equipment

Items to be Preserved in CUSMA

- Stakeholders emphasized preserving tariff free trade while making ROO workable, stating the need to **preserve tariff free movement with simplified ROO — the current system is too complex to administer.**
- Participants called to **maintain the pre November interpretation of auto Rules of Origin (ROO)** and to **maintain current ROO requirements for specialized vehicles.**
- Stakeholders asked to **maintain Regional Value Content (RVC) requirements for RVs.**
- Industry highlighted the importance of predictable rules for U.S. oriented parts and integrated supply chains, noting that Canadian buses and tractors **require U.S. oriented parts, making compliance difficult under new rules.**

Areas to Expand / Improve / Provide Canadian Protection

- Participants called to **improve ROO for autos — need consistent interpretation across the agreement** and noted that **tariff changes are hard to interpret and unpredictable, impacting planning.**
- Stakeholders flagged specific interpretation challenges: **Article 4.5.4** that refers to ROOs and the calculation of regional value content, **is difficult to interpret; rules are unclear.**
- Industry identified uncertainty about which methodology applies to key classifications: **uncertainty around which ROO methodology applies to specific HS codes (e.g., 8705, 8706, 8707, 8708, 8709).**
- Stakeholders emphasized that **wrong interpretation is costly and forces manufacturers to relabel or change practices** and asked to **simplify ROO categories — currently too complicated** and clarify treatment of minor/unlabeled parts. The wrong interpretation can cause manufacturers to go back through the ROO process, incurring costs along the way. Clarification will save money, reduce red tape, and smooth the flow of goods across borders.
- Participants requested clarity at the tariff/ROO interface: **clarify when steel/aluminum tariffs apply and how they interact with ROO.**
- Stakeholders asked for operational transparency: **provide clear guidance on how tariffs will be applied and administered.**
- In terms of Canadian protection, participants stated that if U.S. tariffs continue, Canada may need to **apply equivalent tariffs on competing U.S. products entering Canada — though this is not the preferred option** and raised concern that **Chinese manufacturers will dominate the market for buses, RVs, tractors, and similar vehicles.**
- Stakeholders warned that prolonged uncertainty drives investment risk, noting that firms may relocate if HS code interpretations are not clarified and that companies are **waiting for the next policy announcement before committing capital.**

Bioscience and Pharmaceuticals

Items to be Preserved in CUSMA

- Stakeholders emphasized that ROO should remain supportive of Canadian production, stating **ROO should remain favourable for Canadian production, especially pharmaceutical ingredients.**
- Participants highlighted the importance of safeguards that prevent relocation pressures, calling for **protection against U.S. actions that could push Canadian manufacturing to relocate to the U.S.**
- Industry asked to maintain market access and supplier status, including to **maintain Canada as an approved supplier for U.S. government drug procurement, including generics.**
- Stakeholders asked to preserve mobility rules, noting the need to **maintain temporary entry (TE) provisions, and reduce current enforcement burdens that make cross border movement more difficult.**

Critical Minerals

Items to be Preserved in CUSMA

- Stakeholders stressed that key Manitoba mineral products must remain duty free: **Potash, Sulphate of Potash (SOP), and KOH must remain tariff-free when entering the U.S. market.**
- Participants emphasized preserving access to U.S. equipment and logistics pathways, including to **maintain tariff-free access to U.S. equipment, especially when machinery is transshipped through the U.S.**
- Stakeholders called for alignment on cost distorting environmental rules, noting: **Ensure harmonized environmental protection rules between Canada and the U.S.; current differences ... distort costs.**
- Industry asked to maintain existing arrangements that support mineral development and investment planning.

Building Products / Construction

Items to be Preserved in CUSMA

- Stakeholders emphasized that volatility in building inputs and lumber markets makes **maintaining tariff-free trade** a priority.
- Participants stressed that **Chapter 10 (temporary entry) must be preserved** and that CUSMA should continue to support the movement of business persons and related services.
- Industry highlighted the need to keep **tariff-free imports where products are not available in Canada**

Environmental and Electrical Equipment

Items to be Preserved in CUSMA

- Stakeholders consistently pointed to the value of **tariff free, rules based trade** and the need to maintain market access disciplines that support manufacturers dependent on North American inputs.
- Industry groups emphasized that **Rules of Origin must reflect modern supply chains**, noting that ROO should recognize **global inputs used in modern supply chains**.

Machinery, Technology and Robotics

Items to be Preserved in CUSMA

- Stakeholders stressed maintaining tariff free access and workable origin rules, noting that **ROO must reflect global inputs used in modern supply chains** and that overly rigid approaches undermine competitiveness.
- Industry emphasized preserving mobility commitments that support technicians, engineers, and intercompany staff who service equipment and technology across borders.
- Stakeholders asked to modernize digital trade governance, stating that **Modernizing CUSMA's Chapter 19 on digital trade is essential** given advances in **artificial intelligence (AI), cybersecurity, and data governance**, and proposing a dedicated forum or use of existing committees to keep rules responsive.
- Participants emphasized that digital progress depends on stable inputs and supply chains, noting the need for coordination on physical inputs underpinning digital capacity, including **steel, aluminum, and critical minerals**.
- Stakeholders called for clearer and more practical ROO administration, noting that origin definitions can be hard to locate and that broker errors and inconsistent border interpretation create costly compliance corrections.

Metal Fabrication

Items to be Preserved in CUSMA

- Stakeholders emphasized preserving **tariff free, rules based access** and credible dispute processes as a baseline for long term planning and contracts.
- Industry participants highlighted that instability imposes risk premiums and undermines investment, with broader stakeholder feedback noting increasing instability and that tariff impacts are **unpredictable and not linear**.

Professional Services

Items to be Preserved in CUSMA

- Stakeholders emphasized that **Temporary Entry (Chapter 16) provisions are essential**, noting that professional services firms rely on the ability to move engineers, consultants, and technical specialists quickly across the Canada–U.S. border to serve clients and deliver projects.
- Participants stressed the importance of preserving at least **existing mobility rights**, stating that current provisions are the minimum necessary to maintain competitiveness with U.S. firms.
- Professional services firms highlighted the value of a **rules based framework**, noting that predictable access to the U.S. market under CUSMA supports long term client relationships and cross border investment.

Financial Services

Items to be Preserved in CUSMA

- Stakeholders emphasized preserving **existing market access commitments and regulatory cooperation frameworks**, which provide certainty for cross border financial activity.
- Participants highlighted the importance of **stable data and capital movement**, noting that financial services rely on predictable rules for cross border operations and client servicing.

Transportation and Logistics

Items to be Preserved in CUSMA

- Stakeholders stressed that **tariff free access must continue** for transportation services and related equipment, as trucking and logistics are foundational to all other export oriented sectors.
- Participants emphasized the importance of **labour mobility for drivers**, noting that reliable cross border movement is critical for supply chain continuity.
- Industry highlighted the value of maintaining **transnational entry provisions** that allow for efficient Canada–U.S.–Mexico transshipment.

Cultural Sector

Items to be Preserved in CUSMA

- Stakeholders strongly emphasized the need to **maintain Canada's cultural exemption**, viewing it as fundamental to protecting Canadian cultural expression.
- Participants highlighted the importance of **no tariffs on digital goods** and maintaining flexibility to implement domestic cultural policies, including digital streaming regulations.
- Cultural organizations emphasized that **Temporary Entry provisions are essential** for artists, producers, and creative professionals attending performances, productions, and industry events.

Tourism

Items to be Preserved in CUSMA

- Stakeholders emphasized preserving **facilitated movement of people**, noting that tourism depends on predictable and efficient border crossings for both leisure and business travel.
- Participants highlighted the importance of **tariff free access for tourism related goods and services**, including hospitality inputs and equipment.

Summary

1. **Foundational Access:** CUSMA remains foundational to Manitoba's export-dependent economy, providing tariff-free, rules-based access to the United States and Mexico that underpins investment decisions, supply chain integration, and employment across agriculture, manufacturing, and services.
2. **Predictability and Stability:** Across all sectors, participants stressed that predictability and stability are as important as market access. Sudden or unilateral trade actions—particularly tariffs and non-tariff barriers—were identified as more damaging than the existence of tariffs themselves, creating uncertainty that delays investment and disrupts integrated production.
3. **Trilateral Integrity:** Stakeholders strongly supported preserving the trilateral nature of CUSMA, noting that Manitoba firms operate within deeply integrated North American value chains where goods, services, data, and people cross borders multiple times before reaching final markets.
4. **Implementation and Modernization:** While there was broad support for preserving core CUSMA disciplines, stakeholders viewed the review process as an opportunity to improve implementation and enforcement, strengthen protections against unilateral actions, and modernize rules to reflect digital trade, SMEs, and evolving regulatory realities.

Rules of Origin (ROO): Many stakeholders identified the need to clarify and simplify **Rules of Origin (ROO) requirements** that reflect the integrated nature of production across North American industries.

Conclusion

The consultations demonstrate overwhelming support for the continuation of CUSMA and preservation of integrated North American supply chains. The report finds that unilateral and extraterritorial measures such as tariffs undermine market predictability, reduce the overall efficiency of North American markets, and increase costs on both sides of the border. Across sectors, stakeholders report that stability and predictability in **supply-managed sectors** are essential to long-term planning, investment, and competitive processing operations. Stakeholders also emphasized that tariff-free access to markets is fundamental to Manitoba's export-oriented model and noted that the CUSMA review offers an avenue to strengthen implementation and enforcement.

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