



ZERO EMISSION
TRANSPORTATION
ASSOCIATION

October 31, 2025

Mr. Daniel Watson
Assistant U.S. Trade Representative for the Western Hemisphere
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508
Filed electronically at <https://comments.ustr.gov/s/>

**RE: Docket No. USTR-2025-0004
Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada**

Dear Mr. Watson,

Thank you for the opportunity to provide comments on the operation of the Agreement Between the United States of America, the United Mexican States, and Canada (USMCA or Agreement) on behalf of the Zero Emission Transportation Association (ZETA) and our members.

ZETA is an industry coalition that represents the domestic electric vehicle (EV) supply chain end-to-end, including raw and processed critical mineral and material producers, cell and battery manufacturers, vehicle manufacturers, charging companies and electric vehicle supply equipment (EVSE) providers, utility companies, and battery recyclers. As a coalition, ZETA advocates for policy solutions that will unleash the full potential of American industry to compete globally, counter Chinese market dominance, and lead in next-generation manufacturing. Our companies are proud to invest in American manufacturing by opening factories across the country that create American jobs in all aspects of the EV supply chain, and onshore manufacturing processes.

ZETA shares the Trump Administration's commitment to promoting U.S. manufacturing and exports. For ZETA members, the USMCA is essential to growth that aligns with both of these priorities.

1. **The USMCA is working.**

When President Trump signed the USMCA into law on January 29, 2020, the White House emphasized that the Agreement would “deliver more jobs...that benefit American workers,” “provide a massive boost to American manufacturers, particularly our vital auto industry,” and “bring our trade relationship with Canada and Mexico into the 21st century.”¹ The USMCA has been a success in each of these areas.

¹ White House Fact Sheet, *President Donald J. Trump's United States-Mexico-Canada Agreement Delivers a Historic Win for American Workers*, January 29, 2020, available from <https://trumpwhitehouse.archives.gov/briefings-statements/president-donald-j-trumps-united-states-mexico-canada-agreement-delivers-historic-win-american-workers/#:~:text=New%20wage%20and%20rules%20of%20trade%20agreement%20in%20our%20history.>

In short: the USMCA is working. The USMCA – and the U.S. investment incentives and business certainty that it provides—have resulted in significant domestic investments by ZETA member companies since the Agreement entered into force.

ZETA members represented nearly 70 percent of announced U.S. EV battery manufacturing operations at the end of 2024—or over 300 GWh of battery production capacity.²³ In 2024, ZETA members sold over 695,000 American-made battery-electric vehicles in the U.S., representing approximately 53 percent of all new U.S. electric car sales last year. Since 2020, ZETA members in the EV, battery, and critical mineral and materials sectors have announced over \$55 billion in private sector investments that are projected to yield nearly direct 70,000 jobs in the years ahead.⁴

- In 2020, Tesla announced Gigafactory Texas, a 10 million square foot state-of-the-art factory that sits on 2,500 acres along the Colorado River, and today serves as its global headquarters near Austin, Texas. Since the announcement, over \$16 billion in capital expenditures has been invested in the site and over 40,000 jobs have been created. Gigafactory Texas is actively manufacturing Model Y—the best-selling vehicle in the world—and Cybertruck, as well as cathode active materials, lithium-ion battery cells, battery packs, drive units, vehicle seats, stampings, and castings. It will also be home to Tesla’s next-generation vehicle assembly line and production of the fully autonomous Cybercab.
- In 2021, LG announced a new EV battery factory would be built in Spring Hill, Tennessee. The factory is expected to create 1,300 new manufacturing jobs. Tennessee Governor Bill Lee described it as “the largest single investment activity in the state’s history.”⁵
- In 2023, Samsung SDI announced a new set of EV battery factories in Indiana. The two factories will represent billions of dollars in investment and around 2,800 jobs to be created.⁶ Samsung has partnered on facilities with both Stellantis and GM, aiming to supply their EVs over time.⁷ When the GM facility was first announced, Governor Holcomb stated: “I couldn’t be more excited to again see GM alongside one of Indiana’s

² Jenkins, J.D., “Potential Impacts of Electric Vehicle Tax Credit Repeal on US Vehicle Market and Manufacturing.” March 2025. DOI: 10.5281/zenodo.15001499

³ The Big Green Machine: Tracking North American Clean Energy Supply Chain, database accessed 2/13/2025 <https://www.the-big-green-machine.com/>

⁴ Atlas Public Policy, Clean Economy Tracker. April 2025. <https://cleaneconomytracker.org/about/>.

⁵ The Tennessean, *General Motors announces electric vehicle battery factory in Spring Hill*, April 16, 2021, available from https://www.tennessean.com/story/money/2021/04/16/general-motors-second-electric-vehicle-battery-factory-spring-hill/7244645002/?gnt-cfr=1&gca-cat=p&gca-uir=true&gca-epi=z115925e001400v115925b0066xxd116665&gca-ft=232&gca-ds=sophi&sltsgmt=0154_D.

⁶ Clean Economy Tracker. October 2025, available from: <https://cleaneconomytracker.org/>

⁷ Stellantis and Samsung announce new electric vehicle battery plant. October 2023, available from: <https://www.cbtnews.com/stellantis-and-samsung-announce-new-electric-vehicle-battery-plant/>

newest world-class companies, Samsung SDI, take this giant leap and make this \$3 billion commitment that will transform the automotive industry aided by our proud Hoosier workforce.”⁸

- In 2024, Lucid finalized a major expansion to its state-of-the-art Advanced Manufacturing Plant (AMP-1) in Casa Grande, Arizona. AMP-1 is the first purpose-built EV production facility in North America. The 2024 expansion added approximately 3 million square feet—bringing the facility’s footprint to more than 3.85 million square feet and enabling new capabilities, including in-house stamping and advanced powertrain manufacturing. This vertically integrated facility supports more than 3,000 jobs and is the largest employer in Pinal County, delivering substantial economic benefits to the local community through job creation and regional investment. Lucid recently secured additional facilities in Coolidge and Phoenix, Arizona, increasing the company's impact in the region.
- In July 2025, Panasonic commenced operations at its 4.7 million square foot battery manufacturing facility in DeSoto, Kansas.⁹ The facility has seen \$4 billion in investments, expecting to create 4,000 jobs to power Panasonic’s second domestic battery facility. The De Soto plant is expected to be the world’s largest battery facility, with an annual production of 32 gigawatt-hours (GWh). Senator Jerry Moran stated as a part of the facility’s formal opening: “Panasonic’s new state-of-the-art facility in De Soto is a milestone for our state and a testament to Kansas’ talented workforce and leadership in energy production and innovation. I commend the leadership of Panasonic for choosing the Sunflower State for its U.S. manufacturing site, creating thousands of quality jobs for Kansans and drawing new people to the Midwest.”¹⁰
- In August 2025, LG Energy Solution’s Queen Creek facility reached 60% of its construction, with a scheduled production launch date of Summer 2026.¹¹ The battery maker expects that if fully built out that the facility will generate around 2,800 jobs as a part of a \$5.5 billion investment in batteries with a focus on stationary storage.¹²
- In September 2025, Rivian became the first car company to break ground on an automotive facility in the U.S. during President Trump’s second term when it broke ground at its facility in Social Circle, Georgia. The facility is expected to create 7,500 direct jobs and nearly 8,000 indirect jobs. As Georgia Governor Brian Kemp said at the groundbreaking, “Today is another milestone in bringing quality, good-paying jobs to

⁸ Gov. Holcomb announces largest EV investment in state history attracting a more than \$3B battery plant. June 2023, available from:

<https://iedc.in.gov/events/news/details/2023/06/13/gov.-holcomb-announces-largest-ev-investment-in-state-history-attracting-a-more-than-3b-battery-plant>

⁹ Powering progress: Panasonic’s new EV battery facility in De Soto, Kansas. July 2025, available from:

<https://energy.na.panasonic.com/news/powering-progress-panasonics-new-ev-battery-facility-in-de-soto-kansas>

¹⁰ Ibid.

¹¹ LG Energy Solution's Queen Creek battery plant nears completion, hiring ramps up. August 2025, available from:

<https://www.abc15.com/news/business/lg-energy-solutions-queen-creek-battery-plant-nears-completion-hiring-ramp-s-up>

¹² Clean Economy Tracker. October 2025, available from: <https://cleaneconomytracker.org/>

Georgians in this part of the state. With today’s groundbreaking, this innovative company is further delivering on its commitment to the people of Georgia, and the thousands of hardworking Americans who will work at this facility will see generational benefits for their families.”¹³ The Georgia groundbreaking comes in addition to Rivian’s ongoing \$1.5 billion expansion of its automotive factory in Normal, IL.

Each of these investments help to support U.S. manufacturing and jobs, in line with President Trump’s priorities. Keeping the USMCA in place will help to facilitate further investments in American workers and industry, resulting in more good-paying American jobs and the continued growth of our economy.

A significant aspect of the USMCA that facilitates these investments is the trilateral nature of the agreement, which enables North American integration and helps create a business case for U.S. investment. This trilateral agreement enables Mexican inputs to support good-paying U.S. jobs in downstream products, and creates export opportunities for U.S. products in Canada. In the absence of this North American integration, the primary beneficiary would be China, as Chinese firms can control means of production in vertically integrated supply chains, and artificially dictate prices and wages without being constrained by market forces. A North American trade model that operates as two bilateral agreements, instead of a trilateral agreement, benefits only China, not the United States, by limiting economies of scale and impacting the ability of U.S. manufacturers to vertically integrate.

2. The USMCA can be strengthened.

As the Trump Administration evaluates options to strengthen the USMCA, it is important to focus on the two primary goals of the Agreement: (a) promoting U.S. manufacturing; and (b) supporting U.S. export growth.

An essential aspect of promoting U.S. manufacturing involves ensuring that the Agreement’s rules of origin (ROO) provisions reflect the sourcing realities of U.S. companies. USMCA ROO provisions should not be crafted to reflect a hypothetical future state that might exist, but rather should reflect the current sourcing opportunities available in the market. The supply chains of U.S. companies must be promoted and advantaged by the ROO in a manner that insulates them, and the USMCA, from non-market competitors. In addition to supporting American companies, doing this effectively means not boxing out critical U.S. allies, like Japan and South Korea, from contributing to final products and investments that advance the United States’s USMCA goals.

In addition to effectively and strategically encouraging U.S. investment and manufacturing, the USMCA must also continue to grow and facilitate U.S. export markets. An obvious current constraint on U.S. exports to Canada is the latter’s retaliatory tariff on U.S. products. Ensuring that Canada removes this retaliatory tariff should be a primary objective of U.S. negotiators in any bilateral trade negotiations with Canada.

¹³ Rivian, Rivian Holds Kickoff Ceremony for Georgia Plant, Accelerating American Manufacturing Growth, September 16, 2025, available from <https://rivian.com/newsroom/article/rivian-holds-kickoff-ceremony-for-georgia-plant-accelerating-american-manufacturing-growth>.

The USMCA review provides an opportunity for the Trump Administration to continue its efforts to streamline application of multiple tariffs (i.e. “stacking”) rules, and reduce duplicative tariffs on USMCA qualifying goods. For example, in the recent Presidential Proclamation on “Adjusting Imports of Medium- and Heavy-Duty Vehicles...” the Trump Administration explained that applications of multiple tariffs for these vehicles shall follow the same rules for stacking for imports subject to Proclamation 10908.¹⁴ ZETA encourages the Trump Administration to continue its efforts to prioritize USMCA qualifying goods as it further implements its trade policy agenda.

Thank you for the opportunity to comment on the operation of the USMCA. ZETA is aligned with the Trump Administration’s goals promoting U.S. manufacturing and exports. Continuing the USMCA on a trilateral basis is essential for the ability of U.S. industry to achieve both of these goals and compete with non-market economies such as China. We look forward to continuing to support the Trump Administration in crafting a trade policy that serves American interests and benefits American workers and industry.

Sincerely,



Albert Gore
Executive Director

¹⁴ “Adjusting Imports of Medium- And Heavy-Duty Vehicles, Medium- and Heavy-Duty Vehicle Pats, and Buses Into The United States.” October 17, 2025.
<https://www.whitehouse.gov/presidential-actions/2025/10/adjusting-imports-of-medium-and-heavy-duty-vehicles-medium-and-heavy-duty-vehicle-parts-and-buses-into-the-united-states/>