

November 3, 2025

The Honourable Dominic LeBlanc, P.C. M.P  
President of the King's Privy Council for Canada and Minister responsible for Canada-U.S.  
Trade, Intergovernmental Affairs, Internal Trade and One Canadian Economy

C/O

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**RE: Canada-United States-Mexico Agreement Consultation**

Dear Minister LeBlanc,

On behalf of Electro-Federation Canada (EFC), I am pleased to provide our formal response and feedback to the [consultation on the operation of the Canada-United States-Mexico Agreement \(CUSMA\)](#).

EFC is a not-for-profit industry association representing more than 230 member companies who manufacture, distribute, market, sell, and maintain a wide range of electrical and automation products.<sup>1</sup> These products represent the supply chain of critical parts, components, and equipment necessary to power industries, buildings, homes, and transportation across North America. EFC members contribute over \$15.1 billion to the Canadian economy annually and support over 109,000 jobs across the country.

EFC appreciates the opportunity to provide feedback to the Government of Canada to help inform Canada's preparations for the first joint review of the CUSMA. Please find below our comments for the federal government's consideration, which include general thoughts on CUSMA and free trade for our sector, as well as areas for improvement going forward.

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<sup>1</sup> Products examples include distribution equipment, transformers, switchgears, electric vehicle chargers, lighting, motors & generators, cables & wires, wiring supplies, industrial controls, enclosures, and automation/optimization software.

## **CUSMA and Free Trade**

EFC overall supports CUSMA and wants to see it continued as the agreement has positively impacted our industry. CUSMA works best when it functions as intended by providing free trade across North America for *all* CUSMA-compliant goods. Moving forward, EFC hopes CUSMA will continue to be the primary mechanism governing trading relations between Canada, Mexico, and the U.S.

The electrical and automation industry is significantly integrated across North America. For context, the U.S. is the Canadian electrical and automation industry's largest customer. Canada exports approximately \$17.88 billion of electrical and automation products to the U.S. (representing around 84% of all exported electrical products) and imports \$16.23 billion from the U.S. (about 40% of imported electrical products). Mexico also serves as a key trading partner, as Canada imports approximately \$2.9 billion of electrical and automation products from Mexico and exports approximately \$200 million to Mexico.

The introduction of Section 232 tariffs by the U.S. administration, which has already impacted sectors such as steel and aluminum, lumber, and automotives, has been extremely disruptive to supply chains and costly to Canadian businesses. EFC members have been negatively impacted through the expansion of Section 232 tariffs to copper, steel, and aluminum derivative products that would otherwise be covered by CUSMA and subject to free trade. These Section 232 tariffs threaten the viability of Canada's domestic manufacturers of wire, cable, and transformer products which form the backbone of Canada's electrical supply chain critical to economic, energy, and infrastructure objectives. EFC members seek a CUSMA that is comprehensive and minimizes the risk of the U.S. Administration continuing to enforce and/or issue new Section 232 tariffs, instead keeping the governance of North American trade under one mechanism.

EFC requests that Canada continue to champion free trade for the electrical and automation industry. As Canada negotiates with the United States and Mexico, it is essential to emphasise that including electrical products under CUSMA is paramount to all countries' energy and economic interests. The integrated Canadian, Mexican, and U.S. electrical and automation industries support the goals of collective energy independence, secure energy supply chains, and a resilient electrical grid.

Tariffs on electrical products traded throughout North American would stall energy developments, delay essential infrastructure projects, and hinder the ability of all three countries to meet the demands of their growing populations. Such measures would also diminish the capacity of Canada, Mexico, and the U.S. to respond to global energy challenges, leaving North America more vulnerable to supply chain disruptions and geopolitical risks, thereby compromising our energy security.

## Areas of Improvement

As Canada prepares for the 2026 joint review of CUSMA, EFC encourages the federal government to undertake the actions listed below to deliver a more robust and valuable CUSMA for our sector:

### **1. Provide clarity on Rules of Origin (ROO) calculations**

Currently, there are no standardized methodologies in place for conducting ROO calculations. This lack of clarity creates ambiguity for producers and importers in determining and documenting the origin status of their products. As a result, companies may apply inconsistent calculation methods, leading to potential errors, additional verification requests, and administrative rework.

By establishing clear, standardized guidance on ROO calculation methodologies (such as definitions, acceptable calculation approaches, and documentation requirements), companies will have a stronger understanding of how to accurately and consistently determine origin status. This will improve compliance, reduce administrative burden for both businesses and regulators, and enhance the overall transparency and efficiency of trade processes.

### **2. Simplify documentation process for customs**

The current customs documentation process can be lengthy and complex, often resulting in delays that jeopardize product delivery timelines. In some cases, products are held at the border for extended periods or even returned to the sender due to incomplete or unclear documentation requirements. This creates unnecessary costs, disrupts supply chains, and undermines trade predictability for businesses.

Simplifying and streamlining the customs documentation process (through instruments such as clearer guidance and standardized forms, among other things) would reduce processing times and minimize the risk of delays or returns. A more efficient process would benefit both businesses and customs authorities by improving compliance, reducing administrative burden, and facilitating the smooth movement of goods across borders.

### **3. Increase De Minimis to relieve customs pressure**

The absence of a de minimis threshold (or one set too low) means that all shipments, regardless of value, are subject to the same level of customs review. This creates unnecessary administrative burden for customs officials and delays the processing of lower-value goods that pose minimal compliance risk. Increasing the de minimis threshold would help relieve pressure on customs operations, allowing officials to focus resources on higher-risk or higher-value imports. This change would improve trade efficiency, reduce costs for importers, and enhance the overall flow of goods across borders.

#### **4. Continue to support labour mobility and address service technician issues**

Labour mobility provisions are essential for enabling the cross-border movement of skilled workers, particularly service technicians who install, maintain, or repair electrical equipment. EFC understands the federal government is taking action to enable labour mobility domestically, through legislation such as Bill C-5, the *Free Trade and Labour Mobility in Canada Act*, and EFC appreciates the efforts being undertaken. It would be beneficial to see enhanced labour mobility provisions extended to facilitate easier cross-border movement of skilled workers across North America. Maintaining and strengthening support for labour mobility through clearer guidelines, streamlined work permit processes, and recognition of service technician roles will ensure that businesses can meet customer needs efficiently and avoid project delays due to workforce constraints.

#### **5. Address Chinese import pressure**

The growing volume of low-cost imports from China has introduced competitive pressures that were not fully anticipated under current trade arrangements and shifting geo-political circumstances. This dynamic risks creating market distortions that may indirectly affect the intent and long-term stability of regional trade agreements such as CUSMA. As Canada continues to implement and modernize trade policies, it is important to recognize and address these unintended consequences to preserve fair competition, safeguard North American supply chains, and maintain the integrity of existing agreements; especially as the Government of Canada considers its own rapprochement with the Government of China as highlighted by the Prime Minister's recent meeting with President Xi at the APEC Summit.

#### **6. Bolster rules on product redirection**

Some importers and distributors are using transshipment or re-direction strategies to route products through third countries in order to circumvent tariffs, origin requirements, or other trade provisions. This practice undermines the spirit of trade agreements and creates an uneven playing field for compliant businesses. Strengthening oversight and enforcement mechanisms (such as clearer rules of origin verification and increased coordination among customs authorities) would help ensure that trade flows reflect genuine origin and value-added activity, promoting fairness and integrity in cross-border trade.

#### **7. Encourage harmonization with other trade agreements**

Divergent requirements across Canada's various trade agreements create unnecessary complexity for companies that operate in multiple markets. Differences in rules of origin, documentation, and certification processes increase administrative costs and compliance risks. Greater harmonization and alignment of standards across trade agreements would simplify compliance, reduce redundancy, and enhance Canada's competitiveness in global markets. Coordinating requirements with key partners would also strengthen predictability and confidence for businesses engaged in international trade.

EFC recognizes and appreciates the government's efforts to remove duplicative processes and eliminate red tape through instruments such as the *Free Trade and Labour Mobility in Canada*

*Act.* EFC encourages the government to prioritize harmonization with other trade agreements and within Canada, North America, and with international frameworks to support seamless trade with all jurisdictions. EFC had the opportunity to participate in the consultations around the rollout of certain aspects of Bill C-5 as conducted by officials working for you and the Minister for Internal Trade over the summer.

EFC is grateful for the opportunity to provide input to the government on the CUSMA ahead of the first joint review of the agreement. We thank the Government for undertaking this important initiative and would welcome the opportunity to work with you as Canada continues to prepare for the 2026 joint review.

Sincerely,

[Signature]

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