

Trading Across Borders

Read how the USMCA shapes trade among three neighboring countries.

SS6E5.d "Explain the functions of the United States-Mexico-Canada Agreement (USMCA)."

NAME _____

DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline each sentence that tells a function of the USMCA. Number the functions 1, 2, 3, and so on, to show how the agreement affects trade.

Rules for Three Countries

- ① In 2020, the United States, Mexico, and Canada put the United States-Mexico-Canada Agreement, or USMCA, into effect. This trade agreement replaced an earlier agreement called NAFTA. Its main job is to set shared rules for trade among the three countries. Trade includes buying and selling goods, such as food, cars, and clothing, across borders. By making rules that all three governments agree to follow, the USMCA helps businesses plan and helps consumers find goods from nearby countries with fewer surprises at the border and more confidence about costs.
- ② One function of the USMCA is to reduce many trade barriers. For example, the agreement allows many goods made in one member country to enter another without a tariff, which is a tax on imported goods. The agreement also sets rules about where a product is made. A car must meet certain North American content requirements to receive some trade benefits. These rules encourage companies to use materials and workers from the three countries rather than relying only on places outside the region.
- ③ The USMCA also addresses more than the movement of goods. It includes commitments about labor and environmental laws, so trade should not depend on ignoring worker protections or environmental rules. It has rules for digital trade, including limits on customs duties for electronic transmissions. When countries disagree about whether a rule was followed, the agreement provides a process for settling disputes. These functions aim to make trade more predictable and fair while each country remains responsible for enforcing its own laws.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What is the main job of the USMCA, and which three countries use it?

2 How can reducing tariffs help trade between the member countries?

3 Why does the USMCA have rules about where a product is made?

4 What does the USMCA provide when countries disagree about whether a rule was followed? Why is this useful?

3 YOUR TURN _____ Your own words

A furniture company in Mexico wants to sell tables in Canada. Write three sentences explaining two USMCA functions that could affect its trade. In your last sentence, explain how these functions could make trading more predictable or fair.

PART 1 • READ AND MARK

Underline each sentence that tells a function of the USMCA. Number the functions 1, 2, 3, and so on, to show how the agreement affects trade. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What is the main job of the USMCA, and which three countries use it?	Its main job is to set shared rules for trade among the United States, Mexico, and Canada.
2	How can reducing tariffs help trade between the member countries?	Many goods can enter another member country without a tariff, reducing a tax on imported goods and a trade barrier.
3	Why does the USMCA have rules about where a product is made?	The rules encourage companies to use materials and workers from the United States, Mexico, and Canada.
4	What does the USMCA provide when countries disagree about whether a rule was followed? Why is this useful?	It provides a process for settling disputes. This helps make trade more predictable and fair.

PART 3 • YOUR TURN (SAMPLE ANSWER)

The company may be able to send qualifying tables to Canada without a tariff, which can lower a trade barrier. The company must also follow shared rules about where its product is made. These functions can make costs and expectations clearer for both countries.

Accept equivalent explanations of shared trade rules, lower tariffs, product-origin rules, labor and environmental commitments, digital-trade rules, or dispute settlement. For the open response, accept any two accurate functions and a logical explanation of predictability or fairness.