

March 24, 2022

Ms. Greta Peisch, General Counsel
Office of the United States Trade Representative
RE: Request for Comments Concerning the Operation of the United States-Mexico-Canada Agreement with Respect to Trade in Automotive Goods
Docket Number: USTR-2022-0001

Dear Ms. Peisch:

The RV Industry Association (“RVIA”) appreciates the opportunity to provide comments on the North American supply chain considering the new USMCA trade environment. RVIA would like to thank the Administration for focusing on this implementation and would urge the Administration to address broader issues that directly impact our ability to manufacture for the Canadian and Mexican markets, namely the ongoing supply chain crisis and the long-term expiration of the Generalized System of Preferences (“GSP”)

The RVIA is the national trade association representing over 400 of the diverse manufacturers which together build more than 98 percent of all RVs produced in the United States. The RV industry supports 600,000 jobs nationwide and contributes \$114 billion annually to the United States economy. An RV is a vehicle designed as temporary living quarters for recreational, camping, travel, or seasonal use. RVs may be motorized (motorhomes) or towable (travel trailers, fifth-wheel trailers, folding camping trailers, and truck campers).

NAFTA, now the USMCA, has been beneficial to the RV industry which has strong trade relations with sales in Canada and potential for growth in Mexico. The United States is the world’s largest producer of RVs, producing twice as many RVs as the rest of the world combined. In 2020, over 95 percent of all U.S. RV exports were to Canada, accounting for nearly 10 percent of all United States RV shipments—almost 30,000 RVs with a wholesale value of \$884 million. In Canada, most RVs retailed are made in the United States. Mexico, while far behind Canada, is also a top recipient country for RV shipments.

Maintaining these export relationships is vital to ensuring that the uniquely American RV industry continues to thrive during a challenging time for manufacturers. For our industry, we view our partners in Canada and Mexico as growth markets for exports. Importantly, USMCA maintains NAFTA rules of origin. While the new agreement increases the domestic content requirements for other motor vehicles, the rules of origin did not change for RVs. Motorhomes remain at 62.5 percent domestic content and travel trailers at 50 percent domestic content for duty-free treatment - the same as under the North American Free Trade Agreement.

We are also pleased to report that one significant technical barrier to trade with Canada has been solved with an update to a Canadian regulation on the wiring of RVs for retail in Canada. CSA Z240 RV Series-14, approved in January of 2020 solved a persistent concern for our industry regarding low-voltage wiring and no-metallic sheathed cable (NM type). The updated Canadian regulation now allows either the use of Canadian NMD wiring or U.S. NM-B wiring. RVIA had specifically cited the lack of reciprocity and harmonization between the Canadian Electrical Code and United States’ UL standards during the negotiation of the USMCA.

We applaud the Biden Administration for focusing on the implementation of this agreement and the focus on continuing the North American market. Unfortunately, supply chain disruptions and rising costs of international trade hinder our ability to expand into the Canadian and Mexican markets. RVIA members continue to report ongoing delays both at ports and with domestic rail, and costs that are consistently five times higher than pre-pandemic levels. Additionally, while we source domestically whenever possible, the RV manufacturing sector is dependent on the GSP program for sourcing required materials for our U.S. manufacturing. The long-term expiration of the program is costing our sector over \$1 million a month, at a time when liquidity remains a top priority. We would urge the Administration to continue to focus on solving the ongoing port and rail crisis, and to work with Congress on a long-term GSP renewal as quickly as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Rocci'.

Samantha Rocci
Senior Manager, Government Affairs
RV Industry Association