

Labor Value Content Certification

For a covered vehicle to be eligible for preferential tariff treatment under the USMCA, the producer must certify to CBP that it complies with the Labor Value Content (“LVC”) requirements of the Appendix to Annex 4-B (“the automotive appendix”) of the USMCA. The producer must submit the information described below to CBP to certify that it complies with high-wage components of the LVC requirements.

Information to Submit for Certification:

To satisfy its certification obligation under section 202A(c) of the USMCA Implementation Act pertaining to the high-wage components of the labor value content requirements, a producer of the covered vehicle (as defined in these instructions) must submit the following information in its certification relating to the high-wage components of the labor value content requirement.

- (1) The certifying vehicle producer’s name, corporate address, Federal Employer Identification Number or alternative unique identification number, such as a Business Number (BN) issued by the Canada Revenue Agency, Registro Federal de Contribuyentes (RFC) number issued by Mexico’s Tax Administration Service (SAT), Legal Entity Identifier (LEI) number issued by the Global Legal Entity Identifier Foundation (GLEIF), or an identification number issued to the person or enterprise by CBP, and a point of contact for the certifying vehicle producer.
- (2) The vehicle class, model line, and/or other category indicating the motor vehicles covered by the certification.
- (3) The period of time the producer of the covered vehicle is using for its LVC calculations. For purposes of calculating the LVC, a producer of the covered vehicle may use any one of the time periods used for calculating the average hourly base wage rate, as described in Part VI of the Uniform Regulations (Appendix to 19 CFR 182).
- (4) The name, address, and Federal Employer Identification Number or alternative unique identification number, such as a Business Number (BN) issued by the Canada Revenue Agency, Registro Federal de Contribuyentes (RFC) number issued by Mexico’s Tax Administration Service (SAT), Legal Entity Identifier (LEI) number issued by the Global Legal Entity Identifier Foundation (GLEIF), or an identification number issued to the person or enterprise by CBP, for each plant or facility the producer of the covered vehicle is relying on to meet the high-wage material and manufacturing expenditures component of the LVC requirements.
- (5) The average hourly base wage rate, calculated consistent with the method provided in Part VI of the Uniform Regulations (Appendix to 19 CFR 182) for each plant or facility identified in subsection (a)(4).
- (6) If applicable, a statement that the producer is using high-wage transportation or related costs to meet the high-wage material and manufacturing expenditures component. If the producer is using high-wage transportation or related costs, the producer must identify the company name,

address, and Federal Employer Identification Number or alternative unique identification number, such as a Business Number (BN) issued by the Canada Revenue Agency, Registro Federal de Contribuyentes (RFC) number issued by Mexico's Tax Administration Service (SAT), Legal Entity Identifier (LEI) number issued by the Global Legal Entity Identifier Foundation (GLEIF), or an identification number issued to the person or enterprise by CBP, for each company the producer used to calculate its high-wage transportation or related costs.

(7) If applicable, a statement that the producer is using the high-wage technology expenditures credit to meet the LVC requirements. If the producer is using the high-wage technology expenditures credit, a producer must identify the percentage the producer is claiming as a credit towards the total LVC requirement.

(8) If applicable, a statement that the producer is using the high-wage assembly expenditures credit to meet the LVC requirements. If the producer is using the high-wage assembly expenditures credit, the producer must identify the following:

- (i) The name, address, and Federal Employer Identification Number (for U.S. plants) or alternative unique identification number, such as a Business Number (BN) issued by the Canada Revenue Agency, Registro Federal de Contribuyentes (RFC) number issued by Mexico's Tax Administration Service (SAT), Legal Entity Identifier (LEI) number issued by the Global Legal Entity Identifier Foundation (GLEIF), or an identification number issued to the person or enterprise by CBP for the assembly plant the producer used to qualify for the high-wage assembly expenditures credit; and
- (ii) The average hourly base wage rate, calculated consistent with the method provided in Part VI of the Uniform Regulations (Appendix to 19 CFR 182), for such assembly plants.

To be eligible for preferential tariff treatment immediately upon the USMCA entering into force, producers of covered vehicles must meet the high-wage components of the labor value content requirements set forth in article 7 of the automotive appendix of the USMCA or, if the producer is subject to the alternative staging regime, under Articles 7 and 8 of that appendix, on the date the USMCA enters into force. A producer's initial certification relating to the high-wage components of the labor value content requirement, containing the information described in subsection (a), shall be filed with CBP by December 31, 2020.

Producers of covered vehicles must ensure that records are kept of information to support the calculations submitted under subsections (a)(5), (a)(7), and (a)(8)(ii). Producers must be able to provide records upon request but the records may be physically maintained by a supplier or contractor. Records will be accepted directly from a supplier or contractor where, for example, the producer and supplier or contractor have contracted for such an approach.

The requirements in this section apply to all producers of covered vehicles during the alternative staging regime period and after the alternative stage regime period ends.

For purposes of meeting these requirements:

(a) The U.S. Department of Labor, in consultation with CBP, shall ensure that the certification of a producer does not contain omissions or errors before the certification is considered properly filed; and

(b) a calculation based on a producer's preceding fiscal or calendar year is valid for the producer's subsequent fiscal or calendar year, as the case may be, as set forth in Articles 7 and 8 of the automotive appendix.

Further details on LVC Certification review will be published in US Department of Labor rulemaking process. For any Labor related questions, please contact:

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