



For Immediate Release: September 25, 2025

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First Comprehensive Review of USMCA Labor Cases Shows Tool Delivered Wins, but Structural Gaps Threaten Long-Term Success

Recently Initiated Six-Year USMCA Review Must Include Improvements to the USMCA Rapid Response Labor Mechanism for Intended Benefits to Materialize

Washington, D.C. – [A new report by American Economic Liberties Project’s Rethink Trade finds](#) that the Rapid Response Mechanism (RRM) established in the 2020 United States-Mexico-Canada Agreement (USMCA) delivered concrete wins for tens of thousands of workers in its initial years, but that gains have diminished in recent years. Rethink Trade identifies improvements necessary for the RRM to continue to bolster workers’ rights across North America that can be made during the mandatory USMCA six-year review.

This report is the first comprehensive analysis measuring the RRM’s success. Because this is the first enforcement tool in any trade pact worldwide to authorize facility-specific trade sanctions for company violations of labor rights, its outcomes have importance beyond North America.

“I fought hard for the USMCA agreement to be different from our trade deals of the past, which drove a race to the bottom and sold out American workers by looking the other way when other countries cheated to drive down prices by allowing union busting or paying workers poverty wages,” **said Congresswoman Rosa DeLauro (D-CT), Chair of the House Trade Working Group and House Appropriations Committee Ranking Member.** “The statutory review of the USMCA, which is now getting underway, presents a critical opportunity to revisit and revamp the Rapid Response Mechanism to ensure that it can accomplish what we intended it to do.”

“This report offers a timely assessment of the USMCA’s Rapid Response Mechanism, and I want to thank Rethink Trade for their contribution to this critical conversation,” **said Congresswoman Linda Sánchez (D-CA), Ranking Member of the Ways and Means Trade Subcommittee.** “Civil society engagement remains essential to ensuring that trade agreements deliver real results for workers. Democrats fought hard with President Trump to include the RRM as part of the renegotiated USMCA – recognizing that enforceable labor rights must be at the center of our trade policies. As we approach the six-year review of the agreement, we must conduct a comprehensive review that identifies what is working with the RRM and gaps where the USMCA has fallen short. I look forward to engaging with civil society to ensure that USMCA delivers concrete results for American workers.”

“The mechanism allows any interested party to petition for a case. It also expedites enforcement of collective bargaining rights, and it allows for targeted penalties. As a facility-specific mechanism, it allows for action against the direct violators. All of this is incredibly important, but it’s not enough. This mechanism alone has not been able to ensure that Mexican workers have widespread access to true union representation, and it’s nowhere near enough to address the

continuing threats to the jobs and living standards of American workers,” **said Roxanne Brown, International Vice President at Large of the United Steelworkers (USW).**

“Promoting corporate accountability through trade agreements with a mechanism that is both rapid and has real teeth upends the logic of traditional free trade agreements, which too often focused on granting corporate privileges without obligations,” **said Daniel Rangel, Research Director at Rethink Trade and lead author of the study.** “To protect this progress and ensure the RRM lives up to its potential, essential improvements must be made in the 2026 review to block corporate strategies that evade accountability and to strengthen labor rights enforcement in North America.”

“While the RRM opened the door, the walk through that door has been slowed by appeals, legal maneuvers, and judicial bottlenecks. That is what we believe must change. The mechanism is fast, but the domestic structures are still too slow, and justice delayed becomes justice denied, as we all know,” **said Captain Ángel Domínguez Catzín, President of the Mexican College of Pilots.** “The RRM can break through, but unless it’s faster, stronger, and backed by real accountability, victories risk being only symbolic.”

“By far, the Rapid Response Mechanism is in a league of its own. How quickly it gives relief to workers is exceptional. That being said, there is a lot of work still to be done,” **said Jason Wade, Top Advisor to the President of the United Auto Workers (UAW).** “Mexican workers’ wages have been suppressed for decades. Even if we had a thousand Rapid Response cases, and even if people were under bargaining and fought as hard as they could, it will not happen fast enough. That’s why the UAW is advocating for a sectoral minimum wage that short-circuits some of that work. We can’t make workers whole for all the years they were paid substandard wages, but we can take corrective actions to ensure the wealth that they produce for these companies starts being reflected in their paycheck.”

“The reality is that all those efforts haven’t actually changed the reality on the ground in any significant way for the Mexican working class or for workers in the U.S. who are affected by this,” **said Benjamin Davis, USW’s International Affairs Director.** “The mechanism has had some impact in some places and probably a demonstration effect on top of that, but it has not actually changed the reality. We have to change that reality.”

Key Findings from *Closing the Gap: Evaluating Rapid Response Labor Mechanism Outcomes and Charting a Path Through the 2026 USMCA Review*

- Between July 2020 and June 2025, the United States initiated 37 RRM cases targeting 36 facilities involving mining, call centers and air transport services, food, electronics, apparel, and, most notably, automotive sector manufacturing.
- By mid-2025, nearly two-thirds of concluded RRM cases resulted in the reinstatement of workers dismissed in retaliation for their union activities or preferences. Moreover, in seven cases, the petitioner union gained access to the offending facility, and in five instances, companies committed to recognize and bargain with the petitioner union. These outcomes stand out as the system’s most significant achievements.

- In the agreement’s first few years of operation, it was more common for RRM cases to result in new union representation and collective contracts. Since 2023, most cases initiated have not resulted in new union representation or a new collective bargaining agreement.
- Governments are “resolving” too many cases without securing long-term gains for workers. Of the 32 cases concluded by mid-2025, half were “resolved during review.” The legal consequences of this type of outcome, such as whether it counts as a first violation in the three-strikes penalty escalation system, are not clearly outlined in the agreements.
- Some common remedial actions, such as company neutrality statements and freedom of association trainings, did not result in lasting changes at targeted facilities, as shown by the recent *Atento Servicios* RRM panel report. This decision could serve to strengthen remedies in future cases.
- Through a Freedom of Information Act (FOIA) request, we discovered that 56 petitions were filed during the first five years of the RRM, although one was later withdrawn. Information on RRM petition filings and why petitions are rejected is not publicly available, which hinders government accountability and denies users of the system critical information about how to prepare successful petitions.

Recommendations for the 2026 USMCA Review:

Targeted Adjustments:

1. Shorten the respondent Party’s period for internal review.
2. Extend or modify the Interagency Labor Committee’s deadline to determine whether to invoke a panel.
3. Require Parties to consult with stakeholders—especially petitioners—when developing remediation actions and disclose investigation findings while safeguarding witness workers.
4. Clarify that a “Resolved During Review” outcome counts as a Denial of Rights Determination and strike one for escalating enforcement penalties.

Systemic Improvements:

1. Add a substantive obligation requiring all USMCA Parties to ensure employers bargain in good faith.
2. Require Mexico’s Federal Center for Labor Conciliation and Registration to have sanctioning authority.
3. Isolate fact-finding aspects of the RRM process and make it equally applicable to all USMCA Parties.

See the report [here](#).

Rethink Trade is a program of the American Economic Liberties Project.

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inclusive democracy. Economic Liberties believes true economic liberty means entrepreneurs and businesses large and small succeed on the merits of their ideas and hard work; commerce empowers consumers, workers, farmers, and engineers instead of subjecting them to discrimination and abuse from financiers and monopolists; foreign trade arrangements support domestic security and democracy; and wealth is broadly distributed to support equitable political power.