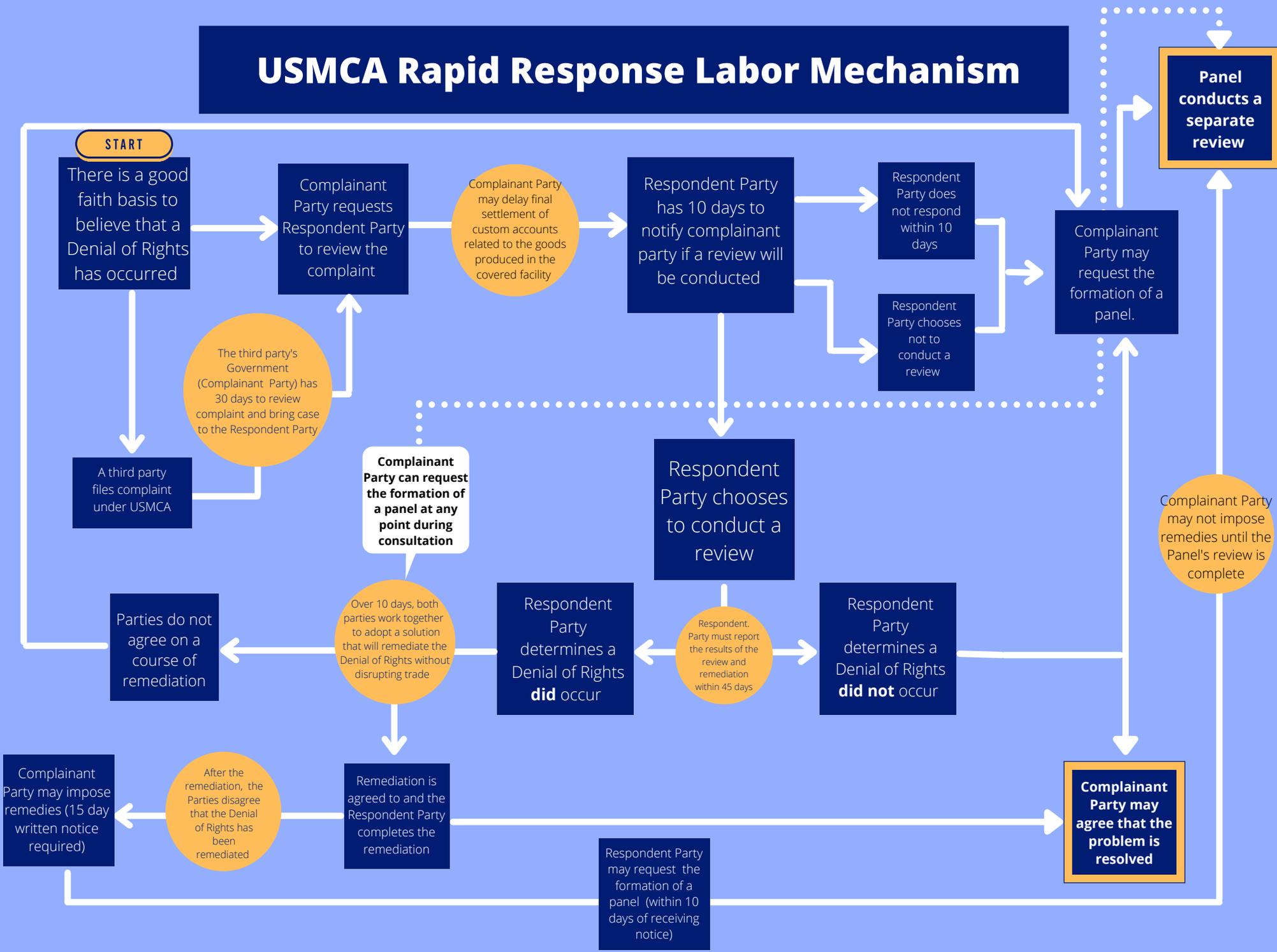


USMCA Rapid Response Labor Mechanism



USMCA RRLM Panel Review Procedures

START

Complainant Party Requests Establishment of Rapid Response Labor Panel

Request for panel verification of Covered Facility's compliance with Labor Law & determination of occurrence of a Denial of Rights

Secretariat sends petition to the Respondent Party

Secretariat must establish a panel in 3 days - one panelist from complainant party list, respondent party list, and joint list. Secretariat must send the petition to the panelists

Request for panel determination of occurrence of Denial of Rights

Petition must:
 1. Identify covered facility
 2. Identify Respondent Party's Laws relevant to Denial of Rights
 3. State complainant party's basis for complaint

Panel confirms that the petition is valid

Panel may request verification should it assist the panel in making a determination

30 days after Verification, the Panel proceeds to determination process

Respondent Party sends petition to the Covered Facility's owner

Panel sends request of verification to Respondent Party

Panel successfully conducts verification within 30 days

Respondent Party concluded there was no Denial of rights and Complainant party disagrees

Covered Facility did not eliminate the Denial of Rights and did not comply with remediation in the allotted time

Respondent Party determined there was a Denial of Rights and alleges that the Covered Facility has taken the necessary measures to remediate the Denial of Rights. The Complainant party disagrees the Denial has been remedied.

Both parties are permitted to observe the on-site verification

Panel takes Respondent Party's conduct into consideration and makes determination

Panel requests for Respondent Party to provide the results, investigation, and conclusion as the result of the Request for Review and Remediation within 10 business days

Panel requests for Respondent Party to provide the results, investigation, conclusions and actions against the Covered Facility as the result of the Request for Review and Remediation within 10 business days

Respondent Party agrees to verification

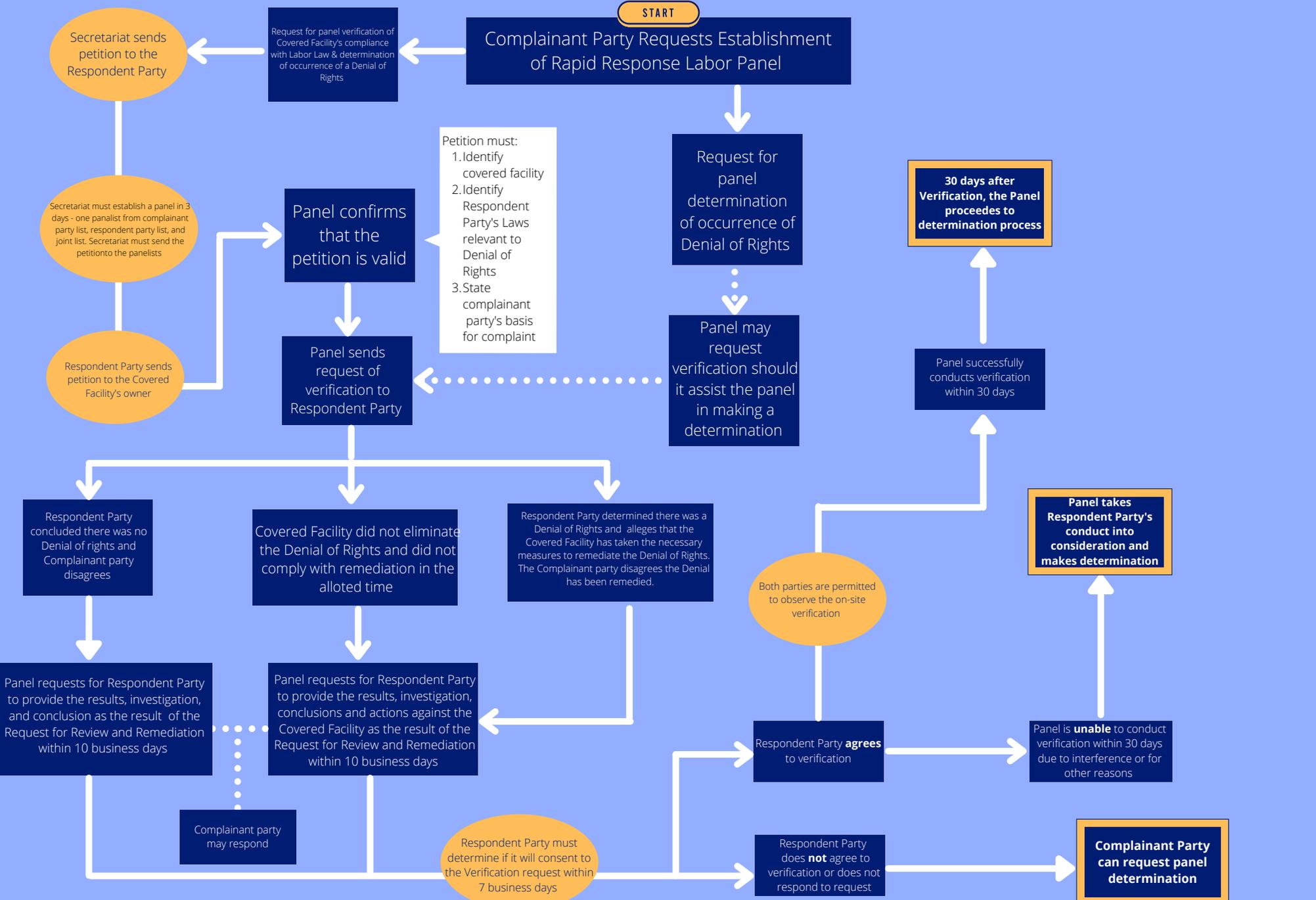
Panel is unable to conduct verification within 30 days due to interference or for other reasons

Complainant party may respond

Respondent Party must determine if it will consent to the Verification request within 7 business days

Respondent Party does **not** agree to verification or does not respond to request

Complainant Party can request panel determination



USMCA RRLM Panel Determination Process

START

Panel must make determination within 30 days after conducting verification or 30 days after panel is constituted if there was not a verification

Panel determines there was a denial of rights

Before determinations, each party has the opportunity to address the Panel

Panel determines Denial of Rights **has not** been remediated

Complainant Party must notify Respondent Party of remedies 5 days in advance. Respondent Party can request consultation during 5 days

Remedies include suspension of preferential tariff treatment or penalties on goods or services manufactured or provided by that facility. If the owner of the Covered Facility received prior Denial of Rights determinations, remedies can be imposed on such goods or services. In extreme cases, denial of entry of goods can be imposed.

Respondent Party requests opportunity to prove remediation of Denial of Rights to Panel

Panel has 30 days to make determination.

Remedies must be proportional to the severity of the Denial of Right. Severity according to the Panel

Complainant Party selects remedy

Complainant Party may request new verification

Parties disagree that Denial of Rights has **not** been remediated

Respondent Party cannot request additional determination for 180 days

Remedies are imposed

Parties continue to consult on progress of remediation and removal of remedies upon remediation

Parties agree that Denial of Rights has been remediated

Remediations are removed immediately

Remedies remain until Parties or panel agree Remediation occurred

USMCA RRLM Panel Formation Process

START

If conditions are met for a Panel to be formed, the Secretariat must select one panelist by lot from the Complainant Party's List, the Respondent Party's list, and the Joint List.

THE LISTS

The Parties must establish and maintain 3 lists of panelists that are committed to being generally available to serve on the RRLM Panel

Each party appoints 3 individuals to one list each and 3 individuals to a joint list

Each list must have at least 5 individuals appointed by each party as of 6 months from the date of USMCA's entry into force

The joint list must be comprised of non-nationals of Mexico or the United States

THE PANELISTS

Panelists are appointed to 4 year term, or until the Parties constitute new lists. Panelists may be reappointed

If a list falls below 5 individuals within the 4 year term, the relevant party must appoint a replacement. Both Parties must appoint an agreed upon individual within 30 days of an individual leaving the Joint List

At the end of each term, Panelists must submit a report to the Parties commenting on the functioning of the RRLM. This report must be made public

Labor Panelists compensation should be addressed by each Party in accordance with USMCA Article 30.2. Reasonable expenses incurred by the Panelists should be paid for by the Parties

- ### Labor Panelist Qualifications
1. Expertise and experience in labor law and practice, with application of such laws recognized by the International Labor Organization
 2. Be selected for objectivity, reliability, and sound judgement
 3. Be independent from a Party
 4. Follow the Commission for dispute settlement's Code of Conduct

- ### Current US-MX Lists (USTR)
- #### Mexican Nationals
1. Graciela Irma Bensusán Areous
 2. Antonio Enrique Larios Díaz
 3. Pablo Vicente Monroy Gómez
 4. Luis Monsalvo Álvarez
 5. Sergio Pallares y Lara
 6. Lorenzo de Jesús Roel Hernández
- #### U.S. Nationals
1. Janice R. Bellace
 2. Lance Compa
 3. Peter J. Hurtgen
 4. Ira F. Jaffe
 5. Kevin Kolben
 6. Edward E. Potter
- #### List of Non-nationals
1. Adolfo Alberto Ciudad Reynaud
 2. Gary Cwitco
 3. Salvador Del Rey Guanter
 4. Cleopatra Elmira Doumbia-Henry
 5. Pablo Lazo Grandi
 6. Paul van der Heijden

If a Party fails to designate its individuals, the Parties can still request the establishment of a Panel