



September 1, 2026

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Greer:

As USTR and Mexico prepare for the fourth bilateral negotiating round in Washington this month, the Air Conditioning Contractors of America (ACCA), the Air-Conditioning, Heating, & Refrigeration Institute (AHRI), the Heating, Air-conditioning & Refrigeration Distributors International (HARDI), and the Plumbing-Heating-Cooling Contractors—National Association (PHCC) write to express our strong support for the United States-Mexico-Canada Agreement (USMCA) and urge the Office of the United States Trade Representative to protect the agreement's benefits to the heating, ventilation, air conditioning, refrigeration, and water heating (HVACR) industry.

Our organizations represent manufacturers, wholesale distributors, and the contractors who install, service, and maintain heating, cooling, ventilation, refrigeration, and water heating systems throughout the United States. Collectively, our members span the HVACR supply chain, from producing equipment and components to distributing, installing, maintaining, and replacing systems. Across the HVACR industry, 1.9 million workers benefit from the USMCA.

The USMCA has provided an important foundation for North American manufacturing and commerce. HVACR equipment is produced through highly integrated supply chains in which raw materials, components, subassemblies, and finished products may cross borders during the manufacturing process. For the HVACR industry, the USMCA has supported significant growth in North American manufacturing for the U.S. market.

Between 2018 and 2025, the value of HVACR products supplied to the U.S. market by North American manufacturers, including manufacturing in the United States, grew at more than twice the rate of HVACR products imported from outside North America. The predictable trading framework established by the USMCA has helped companies make long-term investments in North American production, build regional supplier relationships, and supply the U.S. market efficiently.

Preserving that framework is especially important for the HVACR sector. Heating, cooling, ventilation, refrigeration, and water heating equipment is essential infrastructure. These systems maintain safe indoor temperatures in homes, schools, hospitals, workplaces, and other buildings; protect food, medicines, and other temperature-sensitive products; support industrial and commercial operations; provide hot water for sanitation, hygiene, food service, and other essential building functions; and provide the equipment necessary to maintain healthy indoor environments. Disruptions in the availability of HVACR equipment and replacement parts can therefore have consequences well beyond our industry.

As USTR continues its negotiations with Mexico, we encourage the Administration to strengthen North American manufacturing without disrupting the integrated supply chains that already support production and employment across the region. In particular, we urge USTR to consider the following priorities.

Provide Broad Section 232 Relief for USMCA-Originating HVACR Goods

We urge the Administration to provide broad relief from Section 232 tariffs for HVACR equipment, parts, and components that qualify as originating under the USMCA.

HVACR products are particularly exposed to tariffs on steel, aluminum, copper, and derivative products. These materials are integral to compressors, coils, cabinets, refrigerant lines, heat exchangers, motors, electrical components, and other equipment and parts. As a result, changes to Section 232 treatment can affect costs throughout the HVACR supply chain.

We appreciate the Administration's June 1, 2026, proclamation extending temporarily reduced Section 232 treatment to certain residential HVAC systems and components but urge USTR to pursue broader relief for HVACR goods that qualify as originating under the USMCA.

The USMCA establishes meaningful rules a product must satisfy to receive preferential treatment. Goods that meet those requirements should be recognized as products of the integrated North American economy. Applying substantial Section 232 tariffs to USMCA-originating HVACR goods can diminish the value of preferential treatment under the agreement and penalize companies that have structured their supply chains around North American production.

We therefore urge USTR to pursue an approach under which USMCA-originating HVACR equipment, parts, and components are broadly exempt from Section 232 duties on steel, aluminum, copper, and covered derivative products, or receive comparable relief that recognizes their qualifying North American production.

Such treatment would reinforce the incentive to manufacture and source within North America while reducing unnecessary costs on essential HVACR products.

Preserve Workable Rules of Origin for HVACR Products and Components

We support strong rules of origin that ensure the benefits of the USMCA accrue to producers and workers in the United States, Mexico, and Canada. At the same time, those rules must remain predictable, administrable, and commercially workable for complex manufactured products.

The USMCA's rules of origin framework, including the product-specific rules in Annex 4-B and the broader provisions of Chapter 4, recognize this manufacturing reality through a combination of tariff-shift requirements, regional value content requirements, accumulation, and treatment of qualifying intermediate and originating materials. These provisions allow companies to maintain sophisticated North American manufacturing operations while establishing meaningful regional production requirements.

We urge USTR to preserve the current rules of origin for HVACR equipment, parts, and components and to avoid changes that would impose unnecessary tracing requirements or make qualification so difficult that companies are discouraged from using USMCA preferences. The rules should continue to recognize that competitive North American manufacturing may depend on access to specialized inputs that are not available within the region at sufficient scale or commercial terms.

Rules of origin should encourage additional North American production without inadvertently disrupting existing North American production.

Preserve USMCA Exemptions in Future Tariff Actions

The Administration should maintain a consistent policy of exempting USMCA-qualifying goods from new tariffs and other broad trade measures. USTR recently followed this approach in its 2026 Section 301 action addressing forced labor, expressly providing that the additional duties would not apply to products of Canada or Mexico entering under the USMCA.

This treatment appropriately recognizes the value of the USMCA's rules of origin and the investments companies have made to manufacture and source within North America. Exempting qualifying goods from additional tariffs preserves the value of the commitments negotiated under the USMCA and reinforces incentives for continued investment in North American production.

We therefore urge USTR and the Administration to preserve the exemption for USMCA-qualifying goods in future Section 301 actions and to apply the same principle when considering new or modified tariffs under other trade authorities. Absent a specific and

compelling reason otherwise, goods that qualify for duty-free treatment under the USMCA should remain exempt from additional tariffs.

Maintaining this policy would provide greater certainty for companies making long-term investments in North American manufacturing and sourcing while reinforcing the incentives created by the USMCA to invest in and expand North American production.

Conclusion

The HVACR industry supports the USMCA and the continued integration of the North American economy. The agreement has helped establish the certainty manufacturers need to invest in regional production, distributors to maintain reliable inventories, and contractors to obtain affordable equipment and parts needed to serve homes and businesses throughout the United States.

We respectfully urge USTR to pursue broad Section 232 relief for USMCA-originating HVACR equipment, preserve commercially workable rules of origin for HVACR products and components, and maintain exemptions for USMCA-qualifying goods in future tariff actions.

Maintaining a strong and predictable USMCA will support continued investment in HVACR manufacturing across North America, support U.S. workers and businesses throughout the supply chain, and ensure that essential heating, cooling, ventilation, and refrigeration equipment remains available when consumers and businesses need it.

Thank you for considering these priorities. We look forward to working with USTR as negotiations with Mexico and the USMCA Joint Review process continue.

Sincerely,

Air Conditioning Contractors of America
Air-Conditioning, Heating, & Refrigeration Institute
Heating, Air-conditioning & Refrigeration Distributors International
Plumbing-Heating-Cooling Contractors—National Association