

Jay Timmons  
President and CEO

June 30, 2022

President Joseph Biden  
The White House  
Washington, DC 20500

Dear President Biden:

Manufacturers know that when the United States demonstrates strong global economic leadership and engages with our allies, we can expand export opportunities that support American jobs and workers. Such leadership and engagement are also critical to ensuring supply chain resiliency, diversifying trade and promoting the rule of law—all essential ingredients for manufacturers' competitiveness. That is why the National Association of Manufacturers was a leading advocate for ratification of the United States–Mexico–Canada Agreement two years ago—support that I reaffirmed last week in Montreal to U.S. Ambassador to Canada David Cohen and Canadian Ambassador to the United States Kirsten Hillman.

Unfortunately, on this second anniversary of the USMCA, manufacturers still face a wide range of market access, regulatory and other commercial challenges in Mexico, as I underscored in a recent meeting in Washington with Mexican Undersecretary for Foreign Trade Luz María de la Mora. As your administration engages with the government of Mexico next month at the USMCA Free Trade Commission meeting in Vancouver, and in your bilateral meeting next month with President Andrés Manuel López Obrador, manufacturers respectfully recommend that you prioritize commercial challenges, in addition to the administration's other policy priorities with respect to Mexico.

These are the commercial challenges that manufacturers in the United States face in Mexico, which we want to call to the attention of your administration:

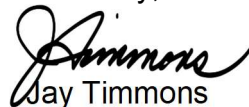
- Energy and electric power generation measures that have favored dramatically the interests of Mexican state-owned entities over U.S. companies, adding costs for manufacturers that rely on existing contracts with energy suppliers and making it harder for them to meet long-term sustainability goals in Mexico, while also slowing the deployment of renewable energy in Mexico;
- Denials and delays with the issuance of operating and customs permits, the failure to grant hydrocarbon permits to import fuels, concerns about the implementation of new border crossing systems, and the cancellation of energy contracts and arbitrary shutdowns of energy terminals and mining and quarrying facilities;
- Expanded food labelling requirements in Mexico that restrict U.S. exports, increase legal uncertainty and curtail U.S. intellectual property and advertising, as well as bans on sales of U.S. packaged goods to minors in key Mexican states;

- Efforts to introduce new, problematic technical regulations and compliance requirements in sectors such as medical devices and dairy that do not align with U.S. and international standards and can restrict U.S. exports to Mexico;
- Delayed approvals by Mexico of chemicals, biopharmaceuticals, over-the-counter drugs, agricultural biotechnology products, medical equipment and devices and personal hygiene products, as well as delayed approvals of new clinical trials for biopharmaceuticals, agricultural biotechnology products and medical equipment;
- Changes implemented by the government of Mexico that ban imports of crop-protection products and biotechnology-derived agricultural products, including corn for food production;
- Failure of Mexico's regulatory agency to promote competition in the telecommunications market, including operating without a full set of commissioners and high spectrum fees, which distort the market in favor of the largest operator and directly impact competition;
- Lack of transparency and frequent changes with respect to procurement mechanisms for pharmaceutical and medical device products, which lead to market access barriers for innovative goods and product shortages;
- Lack of full compliance with Mexico's customs obligations under the USMCA, including a move to erect new customs barriers that harm American small businesses; and
- New "Carta Porte" requirements from the Mexican Tax Administration for certain transportation activities, which require excessively burdensome electronic waybills with data on shippers, consignees and routes.

As you advance your trade agenda, including through accords such as the Americas Partnership for Economic Prosperity, we respectfully ask that your administration hold existing trade agreement partners accountable for their failure to uphold their commitments. These include measures implemented and proposed by the government of Mexico that contradict the letter and spirit of the USMCA and undermine the rule of law in Mexico. Failure to prioritize enforcement of these commercial challenges will undermine the long-term credibility of the USMCA.

Manufacturers look forward to working with you as we urgently address the challenges our industry faces in Mexico. Doing so will help us enhance the competitiveness of manufacturing in America and support the millions of workers in our country whose jobs depend on trade.

Sincerely,



Jay Timmons

CC: U.S. Trade Representative Katherine Tai