

July 8, 2020

Ambassador Robert E. Lighthizer
United States Trade Representative
600 17th Street NW
Washington, D.C. 20006

Dear Ambassador Lighthizer:

The Alliance for Trade Enforcement (AFTE) is a coalition of trade associations and business groups dedicated to ending foreign unfair trade practices that harm American businesses and workers and to ensuring that our trading partners are held accountable for the commitments that they have made to treat American goods and services fairly. Our members represent companies – both large and small – from across the economy, including the manufacturing, agriculture, and service sectors.

Whether the unfair practice is intellectual property theft, nontransparent or discriminatory pricing and reimbursement regulations, data localization requirements, or failure to protect against copyright infringement, strong trade enforcement against these practices boosts U.S. exports, facilitates innovation, and supports job creation here at home. To end these practices, AFTE supports actions and policies that encourage U.S. trading partners to open their markets, reduce barriers to trade, and provide effective protection and enforcement of intellectual property (IP) rights.

We welcome the visit of Mexican President Obrador to the United States later this week to recognize the entry into force of the United States-Mexico-Canada Agreement (USMCA). Now that the USMCA is in effect, we must ensure that Canada and Mexico abide by the commitments that they have made and treat U.S. interests fairly. We applaud the sentiments that you expressed in your recent congressional testimony about your willingness to seek dispute settlement on issues of importance to U.S. manufacturing, agriculture and service sectors where those countries fall short, including patent, trademark and market access issues impacting innovative industries from both new and longstanding policies and regulations in Mexico and Canada.

For instance, we wholeheartedly support your attention to the full enforcement of IP commitments made in the USMCA in a manner that protects U.S. IP-intensive industries and promotes innovation and creativity, such as robust patent linkage and provisions to protect against abuses of the regulatory review exception, as well as broader market access barriers to innovative products, such as the lack of approvals for imported agricultural biotech products in Mexico. The Government of Mexico's failure to approve these products threatens both trade with Mexico and U.S. farmers' access to important technologies. This could have a devastating effect on U.S. farmers and their customers in Mexico.

Canada's Patented Medicine Prices Review Board continues to develop and implement unfair pricing and reimbursement regulatory schemes that do not fully account for the cost of research and development of innovative treatments. Ultimately, Canada's failure to pay its fair share and fully value American medical innovation will have a negative impact on access to medicines – in Canada, the United States, and globally – by reducing incentives for American scientists and manufacturers to research and develop new treatments and cures.

The USMCA contains important provisions that are intended to facilitate the smooth flow of U.S. dairy products throughout North America. However, Canada has announced the distribution of dairy tariff rate quotas in a way that runs counter to various USMCA commitments including discouraging high-value food service or retail products from entering the market. Further, we remain concerned that Canada will not fulfill its commitments to eliminate its Class 7 dairy pricing program and make additional reforms. Canada's efforts to manipulate its agreed-upon trade obligations to protect its tightly controlled dairy market are unacceptable. We urge swift action to ensure that Canada is held strictly responsible for abiding by both the letter and the intent of the USMCA, and diligent oversight to ensure that Mexico also upholds its USMCA commitments such as safeguards for common cheese names.

AFTE also applauds the important leap forward made by the USMCA's digital trade provisions, which include key commitments and significant improvements over prior agreements.

Mexico has been a major source of camcorderd movies uploaded to the Internet, facilitating international piracy of American content. The USMCA requires Mexico to remove the requirement for proof of provide and provide for enhanced criminal remedies into its national law. Vigorous enforcement is now necessary to address this critical problem. The implementation of an effective anti-camcording and anti-piracy strategy is necessary to stem the flow of infringing content to the Internet from Mexico.

Thank you for your attention to these and other important trade enforcement issues. We look forward to working with you to ensure that American businesses can compete on a level playing field not just in Mexico and Canada, but in other major trading partners the world over.

Sincerely,

Alliance for Trade Enforcement

Cc: The Honorable Chuck Grassley, Chairman, Senate Finance Committee
The Honorable Ron Wyden, Ranking Member, Senate Finance Committee
The Honorable Richard Neal, Chairman, House Ways & Means Committee
The Honorable Kevin Brady, Ranking Member, House Ways & Means Committee