



American
Petroleum
Institute



NATIONAL ASSOCIATION OF
Manufacturers

March 10, 2023

The Honorable Katherine Tai
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th St. NW
Washington D.C. 20006

Dear Ambassador Tai,

As representatives of a diverse group of sectors and industries across the United States, we commend the Biden administration's decision last year to request consultations under the United States-Mexico-Canada Agreement (USMCA) regarding Mexico's energy policies.

In our view, the Government of Mexico has not engaged constructively in the consultation process with the United States, nor has Mexico taken meaningful steps to address the issues raised by the United States. As such, our organizations respectfully urge that the Biden administration continue to hold Mexico accountable by using every tool available to enforce the USMCA.

The Government of Mexico's escalating pursuit of discriminatory policies dramatically favors Mexico's state-run electrical utility and state-run oil and gas companies, hindering private sector investment, threatening companies in the United States and their workers, and undermining North American energy integration and our regional competitiveness vis-à-vis China and other rivals. The energy measures implemented by Mexico also add costs for manufacturers that rely on existing contracts with energy suppliers and make it harder for them to meet long-term sustainability goals in Mexico, while also slowing the deployment of renewable energy in Mexico.

Furthermore, measures like Mexico's holdup in the issuance of permits for energy activities – for example, the permits that enable major U.S. investors to open service stations in Mexico – undercut our companies and can restrict the supply of energy that North American manufacturers and consumers need.

It appears that the administration of Mexican President Andrés Manuel López Obrador will not change the course of his country's energy policy without continued, direct and forceful pressure from the U.S. government.

Our organizations appreciate your continued focus on these critical energy concerns, and we look forward to continuing to work with you to ensure that Mexico adheres to the letter and the spirit of the USMCA on these and other commercial challenges in Mexico.

Sincerely,

The American Clean Power Association
The American Petroleum Institute
The National Association of Manufacturers