

**Congress of the United States**  
**Washington, DC 20515**

July 12, 2022

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear President Biden:

I write today to urge you to seek commitments from President Andrés Manuel López Obrador that Mexico will take immediate action to comply with key provisions in the United States-Mexico-Canada Agreement (USMCA). Last week's USMCA Free Trade Commission meeting and your scheduled meeting with President López Obrador on July 12th present significant opportunities to address Mexico's USMCA compliance failures. Specifically, I urge you to seek commitments to address the full range of USMCA implementation concerns in Mexico, including specific measures related to agriculture and energy referenced below.

***Mexican Treatment of Agriculture Biotechnology Products***

The USMCA contains core commitments confirming the importance of innovation and facilitating trade in agricultural biotechnology products. However, the López Obrador administration continues to ignore science and maintains a broken regulatory system that prevents Mexico from complying with its USMCA commitments. In November, I, along with over seventy of my colleagues, sent you a letter detailing the implications of this issue for U.S. farmers. Since then, the situation has only worsened.

This is particularly concerning because these policies negatively impact Mexican agricultural production and impede American farmers' access to the new technologies needed to meet global food demand. These approvals are badly needed as we face an increasingly strained global food supply and skyrocketing prices.

I urge you to press President López Obrador to ensure Mexico's Federal Commission for the Protection Against Sanitary Risk (COFEPRIS) returns to timely and science-based risk assessments of biotechnology traits for agricultural products—as is required by USMCA.

***Mexican Initiatives in the Energy Sector***

USMCA is undeniably a high-standard agreement that contains state-of-the-art chapters on State-Owned Enterprises (SOE's), Investment, and Goods.

President López Obrador's efforts to roll back Mexico's 2013 constitutional reforms to preference Mexico's state-owned petroleum and utility companies, *Petróleos Mexicanos* (PEMEX) and the *Comisión Federal de Electricidad* (CFE), respectively, violate core

commitments in those chapters, threaten \$10 billion of U.S. investment in Mexico, and weaken the investment climate for energy sector investors throughout North America.

As such, I urge you to explain to President López Obrador how the Mexican Power Industry Law—which prioritizes CFE generating plants over less-polluting and more-efficient private electricity plants—not only undermines Mexico’s Paris Accord commitments, but also violates specific USMCA obligations that Mexico made. I also ask you share how the Mexican Hydrocarbons Law, as well as a myriad of regulatory actions taken by Mexico’s Ministry of Energy and Tax Administrative Service, have severely hindered efforts of U.S. companies to maintain, service, and expand existing investments in Mexico. These regulatory measures have also impaired the ability of U.S. producers to import fuels from refineries subject to more stringent emission and safety standards than those imposed in Mexico.

As your administration seeks to address food security challenges and soaring inflation, ensuring Mexico abides by its USMCA commitments cannot be overlooked. I look forward to hearing President López Obrador’s response on these key issues and urge you to use the enforcement tools outlined in the USMCA if necessary to address them.

Sincerely,

A handwritten signature in blue ink, reading "Adrian Smith". The signature is fluid and cursive, with the first name "Adrian" and last name "Smith" clearly distinguishable.

Adrian Smith  
Member of Congress