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:

We write in regard to the Government of Mexico's pursuit of discriminatory policies that favor state-run energy companies and directly undermine United States-Mexico-Canada Agreement (USMCA) commitments. We strongly support your July 20, 2022 request for consultations—an important initial step to enforce USMCA for U.S. energy workers and families. However, consultations under USMCA are designed to last only 75 days before a Party may request a dispute settlement panel to review the matter. The Biden Administration has afforded Mexico nearly a year—and yet there remains a lack of any meaningful progress. Consequently, we urge you to pursue full enforcement action against the Government of Mexico to address its energy policies that hinder U.S. investment in Mexico's energy sector.

These discriminatory policies exist throughout Mexico's energy sector, including natural gas and oil exploration and production, electricity generation including solar and wind power, and retail sales. Mexico's unfair actions threaten over \$10 billion in U.S. investment that have already been made and clearly run afoul of Mexico's USMCA obligations. Ensuring there is a reliable market for U.S. energy production and infrastructure will help strengthen energy supply chains in North America and lower energy costs for consumers as Americans continue to feel the impacts of volatile energy markets.

Extending the period of consultations has not yielded results. Robust enforcement action is necessary—not just in the renewable energy sector, but across the entire energy sector. Establishing a dispute settlement panel for these troubling energy issues will demonstrate that the United States is serious about enforcing USMCA to provide Americans the benefits that the we bargained so hard to achieve in USMCA negotiations.

We therefore respectfully urge the U.S. Trade Representative to request the swift establishment of a USMCA dispute settlement panel to address Mexico's discriminatory policies across the energy sector.

Sincerely,

ohn Barrasso, M.D.

United States Senator

Jodey C. Arrington

United States Representative

John Cornyn United States Senator

Tim Scott United States Senator

Varnes Lankford
United States Senator

Bill Cassidy, M.D.

Bill Cassidy, M.D. United States Senator

Todd Young
United States Senator

Ron Johnson United States Senator

Henry Cuellar United States Representative Ledrian Smith

United States Representative

Beth Van Duyne United States Representative

caroe S. miller

Carol Miller United States Representative

Brad R. Wenstrup, D.P.M. United States Representative

Mike Carey United States Representative

Lloyd Smucker United States Representative

Vicente Gonzalez United States Representative