

Congress of the United States  
Washington, DC 20515

May 12, 2020

The Honorable Mike Pompeo  
Secretary  
U.S. Department of State  
2201 C Street, NW  
Washington, D.C. 20520

Secretario Marcelo Ebrard  
Relaciones Exteriores de México  
Av. Juárez 20, Colonia Centro,  
Cuauhtémoc, 06010 Ciudad de México,  
CDMX, Mexico

Dear Secretary Pompeo and Secretario Ebrard:

As the United States continues to combat the novel coronavirus (COVID-19) pandemic, we have a difficult and important task in determining which businesses should remain open under an “essential” business or service definition. That task is made more complicated by cross-border trade, international supply chains, and needed coordination with foreign governments.

Overall, we are pleased by the continuity of manufacturing and logistics operations. We are concerned, however, with divergent definitions of what is considered “essential” in Mexico. Hundreds of American companies are facing challenges navigating these policies surrounding essential economic services and functions. This has resulted in disruptions that are especially concerning when they hinder the ability of components and finished products to move back and forth across the U.S.-Mexico border.

As trade continues between the United States and Mexico, we must coordinate our essential business designations to ensure access to necessary supply chains. Specifically, we request that you coordinate designations of critical sectors most adversely impacted, in two categories, with Mexico: 1) sectors deemed “essential” in both the U.S. and Mexico that are experiencing supply chain disruption; and 2) sectors deemed “essential” in the U.S. that should be considered “essential” in Mexico.

As such, we encourage you to address the concerns and recommendations we received from the Border Trade Alliance, U.S. Chamber of Commerce and U.S. business leaders outlining their requests for support to ensure the continuity of trade across the U.S.-Mexico border during this pandemic, in the enclosed memorandum.

Thank you for your consideration of our request.

Sincerely,



Henry Cuellar  
Member of Congress  
28<sup>th</sup> District of Texas

  
M.C.

Will Hurd  
Member of Congress  
23<sup>rd</sup> District of Texas

## Summary: Sectors Adversely Impacted by Mexico's "Essential Services" Policy

*We are tracking the U.S. business community's challenges in Mexico due to its inconsistent policy surrounding essential economic services and functions. These issues impact nearly every major manufacturing-dependent sector/industry. What follows is a high level summary of the critical sectors most adversely impacted, grouped into two categories: 1) sectors deemed "essential" in both the U.S. and Mexico that are experiencing supply chain disruption, and 2) sectors deemed "essential" in the U.S. that should be considered "essential" in Mexico. Included are broad examples of how there are significant supply chain disruption and potential cessation of operations in the U.S. and/or Mexico due to the challenges:*

1. **Sectors that are considered "essential" in both countries, but are not operating or are on the verge of stopping operations in either country because their suppliers in Mexico are deemed "non-essential" or subject to arbitrary enforcement.**
  - Mexico's various decrees that outline "essential" businesses are not broad enough and, in many cases, do not explicitly include the full supply chain that goes into producing a given "essential" product or service. This is being enforced differently across Mexico. There is not a clear process or portal for companies to find resources on health requirements or appeal cases.
  - ***Recommendation for Government of Mexico:*** Mexico should prioritize aligning as closely as possible to the U.S.'s CISA guidance. This would quickly and efficiently resolve the vast majority of the current essential services policy misalignment. If this isn't possible, the private sector strongly recommends that Mexico:
    1. *Broaden the scope of its own decrees to account for supply chains; and,*
    2. *Establish a dedicated mechanism / clearinghouse – operated by the Secretariat of Economy – to review the cases of all of companies deemed "essential" in Mexico that face challenges due to key suppliers designated "non-essential."*
- **Critical sectors that are deemed essential in Mexico facing this problem include:**
  - Construction / Infrastructure
  - Food/agriculture
  - Healthcare products
  - HVAC and industrial/commercial refrigeration
  - Mining / critical materials.
  - Power generation
  - Transportation systems
  - Waste and wastewater systems
  - Water purification systems

- Sector specific examples, which may span various “essential” functions:
  - **Construction** –
    - Currently, many top suppliers for construction companies in Mexico have shut down. Unless these suppliers are able to restart production in the next 10 days, many construction companies will be forced to shut down U.S. manufacturing facilities across the country.
    - (Production of engines and machines used in essential power generation, infrastructure, mining, and transportation sectors in the U.S., Mexico, and around the world)
  - **Defense and Aerospace** –
    - Many Defense and Aerospace companies are facing shutdown or operational and supplier issues.
    - These companies supply essential transportation systems (notably in defense industry) and have shifted production to produce PPE.
    - (These include: Critical transportation infrastructure; aerospace factories; negative pressure systems to control sterilized environments; N-95 masks, advanced respiratory protection systems and sensors for critical ventilator systems, oxygen concentrators, patient monitors, infusion pumps, and medical laboratory test equipment; Technologies for oil and gas, electricity and critical manufacturing)
  - **Electric** –
    - Some electric companies are shut down, even though they are essential. (Essential energy industry; composite wind blades)
    - Many electric companies are supplying the essential HVAC/refrigeration industry, but all suppliers at their level are shut down
    - (These include critical HVAC equipment for hospitals, nursing homes, and healthcare facilities.)
    - (Others include industrial / commercial refrigeration; fire detection and protection; security products.)

2. **Priority sectors considered essential in the U.S. that have not been designated “essential” in Mexico.**

- Prominent gaps between CISA’s guidance and Mexico’s definition of essential activities either render the following sectors “non-essential” or make their status highly ambiguous in Mexico:
  - Automotive
  - Communication and Information Technologies
  - Defense / aerospace
  - Hygiene / cleaning products
  - HVAC and refrigeration
  - Semiconductors
  - Water and wastewater