

United States Senate

WASHINGTON, DC 20510

May 20, 2022

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500-0005

Dear President Biden,

We write urging you to prioritize and address the recent aggression by President Andrés Manuel López Obrador and his Administration toward American companies with investments and operations in Mexico.

For over two centuries, the United States and Mexico have developed deep cultural, economic, and diplomatic relations that have been instrumental in creating prosperity in North America. A central component of this relationship is the economic integration that encourages American investment in and trade with Mexico—which, in 2021, generated over \$661.1 billion in total trade.¹ As the world emerges from the pandemic and reassesses the global rebalancing of supply chains, North America is uniquely positioned to bolster its leadership as a manufacturing powerhouse as companies look to near-shore their supply chains from Asia and the rest of the world.

However, recent actions by President López Obrador and officials in his government threaten to undermine the confidence of U.S. businesses in Mexico as a viable, predictable marketplace and destination for investment.

For over thirty years, Vulcan Materials Company has operated a limestone quarry on three contiguous parcels of land in Quintana Roo, Mexico. This facility has brought investment and well-paying jobs to the region. However, under the leadership of President López Obrador, the Mexican government has taken numerous arbitrary and punitive actions against Vulcan, illustrating increasingly protectionist and anti-competitive policies that disregard the rule of law.

In 2018, Vulcan initiated NAFTA arbitration proceedings against Mexico due to arbitrary and capricious actions that prohibited Vulcan from operating on two of the three parcels it owns in Quintana Roo. In January of this year, President López Obrador began escalating hostilities, directly interfering with Vulcan's ability to export materials and making numerous public statements advocating for Vulcan to stop quarrying. On May 5, the Mexican Government presented Vulcan with shutdown orders to immediately cease all quarrying and extraction operations on its one active mining parcel, despite Vulcan's full ownership of this property and its possession of all the necessary permitting needed to operate.

A continued shutdown of Vulcan's operations in Mexico will have a direct and negative impact on the United States, as Vulcan's Mexico facility is a critical component of the construction aggregates supply chain for the southeast United States. This facility provides construction

¹ <https://www.census.gov/foreign-trade/balance/c2010.html>

aggregates for infrastructure projects in coastal markets that do not have the geology necessary to produce quality construction aggregates locally.

Further, Vulcan Materials Company is not the only American entity to experience harassment from the Mexican government and raise concerns over President López Obrador's anti-business rhetoric. There have been a number of stunning cases, particularly in the energy and power sectors, where multiple U.S.-owned facilities have been forced to close.²

The Natural Resources Defense Council,³ the Alliance for Trade Enforcement,⁴ the United States Chamber of Commerce,⁵ and the National Association of Manufacturers⁶ have all cited numerous instances in which protectionist policies threaten the predictability of Mexico's business climate. This is further underscored by the Mexican Senate's recent passage of a bill to nationalize lithium mining and extraction. Under this protectionist measure, Mexican state-run companies will have exclusive rights to mine lithium,⁷ which is a critical mineral used in the production of electric car batteries and other next-generation technologies.

Both Republican and Democratic Members of Congress have raised concerns to your Administration⁸ regarding President López Obrador's departures from the economic and legal norms that govern U.S.-Mexican relations and his assault against the U.S.-Mexico-Canada Agreement (USCMA). If these violations are allowed to continue, they will undermine crucial, mutually beneficial economic cooperation between our nations and encourage businesses to seek more predictable and suitable markets elsewhere.

Therefore, we respectfully request that you take immediate action with respect to the Government of Mexico to reverse the harmful measures it has already taken and to prevent further damage to the economic relationship between the United States and Mexico.

² <https://www.wsj.com/articles/mexico-american-assets-obrador-amlo-energy-11634496785>

³ <https://www.nrdc.org/media/2022/220118>

⁴ <https://enforcementalliance.org/wp-content/uploads/2021/09/AFTE-Letter-to-Vice-President-Harris-on-Mexicos-Adherence-to-USMCA.pdf>

⁵ <https://www.uschamber.com/international/american-businesses-see-challenges-and-opportunities-in-the-u-s-mexico-relationship>

⁶ https://documents.nam.org/IEA/NAM%20Jay%20Timmons%20Letter%20to%20Ambassador%20Tai%20on%20USMCA_051421.pdf

⁷ [https://www.usnews.com/news/business/articles/2022-04-19/mexican-senate-approves-nationalization-of-lithium-mining#:~:text=Mexico%27s%20Senate%20has%20passed%20a%20bill%20to%20nationalize%20lithium%20mining%20and%20extraction.&text=April%2019%2C%202022%2C%20at%2010%3A02%20p.m.&text=MEXICO%20CITY%20\(AP\)%20%E2%80%94%20Mexico%27s,to%20sign%20it%20into%20law](https://www.usnews.com/news/business/articles/2022-04-19/mexican-senate-approves-nationalization-of-lithium-mining#:~:text=Mexico%27s%20Senate%20has%20passed%20a%20bill%20to%20nationalize%20lithium%20mining%20and%20extraction.&text=April%2019%2C%202022%2C%20at%2010%3A02%20p.m.&text=MEXICO%20CITY%20(AP)%20%E2%80%94%20Mexico%27s,to%20sign%20it%20into%20law)

⁸ <https://www.finance.senate.gov/imo/media/doc/2022.01.12%20Wyden-Crapo%20Letter%20to%20USTR%20Tai%20on%20USMCA%20Implementation%20and%20Enforcement.pdf>;

<https://www.foreign.senate.gov/imo/media/doc/01-18-22%20RM%20Letter%20to%20Sec.%20Blinken%20and%20Sec.%20Granholtm%20re%20AMLO%20&%20Mexico%20Clean%20Energy%20Commitments.pdf>;

<https://gonzalez.house.gov/sites/gonzalez.house.gov/files/07.20.21%20LTR%20to%20POTUS%20on%20Market%20Access%20for%20Energy%20Companies%20in%20Mexico%205B3%205D.pdf>;

<https://adriansmith.house.gov/sites/adriansmith.house.gov/files/2021-11-19%20Smith%20Costa%20Mexico%20Biotech%20Letter%20to%20Biden.pdf>

Sincerely,



Bill Hagerty
United States Senator



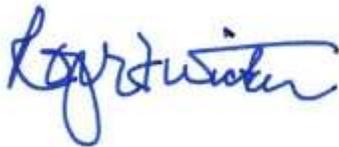
Richard Shelby
United States Senator



Rick Scott
United States Senator



Tommy Tuberville
United States Senator



Roger F. Wicker
United States Senator



Bill Cassidy, M.D.
United States Senator



Ted Cruz
United States Senator



Roger Marshall, M.D.
United States Senator



Marco Rubio
United States Senator



John Cornyn
United States Senator

cc:

The Honorable Antony Blinken
Secretary of State

The Honorable Gina Raimondo
Secretary of Commerce

The Honorable Katherine Tai
United States Trade Representative

The Honorable Ken Salazar
United States Ambassador to Mexico

Mr. Jake Sullivan
United States National Security Advisor

Mr. Brian Deese
Director of the National Economic Council

The Honorable Mitch Landrieu
Senior Advisor to the President for Infrastructure Coordination