



March 11, 2025

Mr. Juan Millan
Acting General Counsel
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

**RE: Docket ID: USTR-2025-0001
Request for Comments to Assist in Reviewing and Identifying Unfair Trade
Practices and Initiating All Necessary Actions to Investigate Harm From
NonReciprocal Trade Arrangements**

Dear Mr. Millan:

Thank you for the opportunity to submit comments concerning unfair trade practices in the Western Hemisphere.

The Council of the Americas is a trade association of over 200 member companies active and doing business in the Americas. For 60 years we have advocated for open markets, democracy, and the rule of law, which we believe are mutually reinforcing.

We believe that the United States is a powerful actor in shaping the global and regional economy and that we are most effective when we engage with our trade partners on the basis of mutual interest and shared responsibility, and when we lead by the power of example.

Putting America First means putting U.S. interests first, including secure borders, controlled migration, low inflation, safe and efficient supply chains, and meeting China's expansive geostrategic challenge. It will be difficult to achieve the elements of this agenda without the active cooperation of our neighbors to address them effectively. Cooperation is more likely to be sustained over time when it is offered willingly on the basis of mutual reward rather than coerced, which can breed resentment and a search for alternatives.

That's why the Council of the Americas so strongly supports President Trump's USMCA with Canada and Mexico, and why we believe it should be renewed and expanded with nations in the Americas willing and able to meet the obligations and commitments of this world-class agreement. We support a race to the top, where nations in the Americas compete to improve their own competitiveness and connectivity with the United States, with enforceability of commitments and sanction for democratic backsliding.

Meanwhile, increased tariffs are a tax on ourselves which should be used sparingly, with every effort made to avoid trade wars which debilitate the U.S. economy and corrode our strategic alliances. They are ineffective in establishing reciprocal terms of trade with multi-faceted imbalances. To the extent they are used as a tool to address unfair practices, they should be targeted, proportionate, and short.

In this spirit, our submission to you highlights a number of trade barriers that can usefully be addressed by U.S. trade partners in the Americas. This is not a comprehensive list; it is representative and should be considered a point of departure, with issues to be raised and resolved in a process of mutual respect and collaboration to the extent possible. When good faith efforts have been made but issues remain unresolved, additional steps including reciprocal tariffs can be considered consistent with WTO, trade promotion, and other agreements to which the United States is a party.

This submission includes the consolidated contributions of various Council members. Other member comments are included in whole as an [Appendix](#).

Unequal Playing Fields Harm U.S. Companies

Our members have reported the unequal application of higher taxes and infrastructure usage fees, including in the telecommunications, financial and agriculture sectors. These higher costs are often not incurred by state-owned operators, violating national treatment provisions outlined in agreements including USMCA.

In Mexico's telecommunications sector, state-owned operator ALTAN gains unfair advantage over foreign investors by continuing to pay only 10 percent of fixed spectrum costs, per its agreement to comply with a legal framework which it has so far failed to meet.

Brazil and Costa Rica seek to replace market reliance on foreign-issued credit cards with state-controlled payment systems. By increasing operational costs, imposing price controls on inbound cross-border transactions, and setting high tax withholding measures accounting up to eight percent of transaction values, Costa Rica engages in unfair competition against foreign private players.

Since 2023, Chile has required all ridehailing platforms such as Uber to withhold income tax on behalf of independent contractors who provide services. The United States' platform remains compliant with this requirement whereas the Chinese platform does not. Absent equitable enforcement, it's an obvious advantage for China at the expense of U.S. companies.

A Lack of Transparency Can Lead to Preferential Treatment for SOEs

Nonreciprocity in trade is exacerbated by states' lack of prioritization of transparency in business practices. This diminishes incentives to invest in these countries and stifles innovation across the hemisphere. Per Mexico's Public Procurement Law, transparency is enshrined through the enforcement of rules forbidding the withholding of information about selection criteria in the bidding process. Council members in the pharmaceutical sector report violations of this rule and confirm that bids are often won by companies in a non-transparent manner. This contributes to significant inefficiencies and an estimated 14M Euro annual loss for Mexican authorities.

When bidding procedures in whatever sector lack transparency, U.S. businesses often forego opportunities for which they might otherwise compete, knowing that the eventual winner is likely to be a favored local provider or a Chinese company not subject to similar transparency and anti-corruption requirements. It's impossible to calculate the opportunity costs of foregone investments, but we judge the impact to be significant to U.S. investors and local economies.

Discriminatory Regulatory Burdens and Constitutional Changes

Changing state legislation continually runs into conflict with trade agreements, as a lack of implementation and failure to meet deadlines places U.S. firms at a disadvantage. For some members, the Mexican government's constitutional reforms and 180-day limit to publish implementing regulations has become a major concern. TAP reports that relevant agencies have failed to publish proposed regulations on copyright, posing risks to the protection of intellectual property. This directly violates Mexico's commitment under USMCA to implement key copyright provisions.

This, along with other initiatives like Mexico's Federal Law for the Protection of the Cultural Heritage of Indigenous and Afro-Mexican Peoples and Communities (2022), create legal ambiguities for U.S. companies' operations. Failure to make known what constitutes a specific violation of these initiatives (through the absence of guidelines for authorization, the lack of clarity as to which communities are associated with a particular expression, etc.) restricts company activity, primarily in the entertainment sector, a large and growing sector for international trade. Ambiguity in legislative changes and delays in the implementation of constitutional reforms also poses noncompliance and financial risks, as our members have experienced.

Further, some initiatives where statutes are clear explicitly discriminate against U.S broadcasting networks. In Mexico, foreign entities are only permitted 49 percent ownership of broadcast networks; however, that number is further reduced to match the limit imposed on Mexican companies by the foreign company's country of origin. Although reciprocity here is intended to be neutral, it directly conflicts with the United States' allowance for foreign entities to fully own broadcast networks on a case-by-case basis.

Conclusion

The Council of the Americas is eager to continue its long-standing role as a trusted resource and advisor for the new U.S. administration. These are important issues that directly impact U.S. interests and we look forward to ongoing consultations with USTR and other relevant agencies in the days and weeks ahead.

Respectfully submitted,

/s/

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Appendix

AS/COA Member: Uber
Comments for Docket ID: USTR-2025-0001

ARGENTINA

Discriminatory Regulatory Burdens

In 2019, the Federal Authority for Insurance (Superintendencia de Seguros) issued Resolution 615 establishing mandatory insurance for all ridehailing platforms operating in Argentina. Only U.S. platforms are complying with this requirement while Chinese and Spanish competitors are not. The federal government's failure to take appropriate enforcement action against competitors' open non-compliance has created an unequal playing field, with U.S. firms bearing significant operating costs that third-country firms are evading.

CHILE

Discriminatory Tax Burdens

Beginning in 2023, the Chilean Tax Authority (Servicio de Impuestos Internos) has required all ridehailing platforms to withhold income tax on behalf of the independent contractors who provide services via their platforms. Only the U.S. platform is complying with this requirement while the Chinese platform is not. The Chilean government's failure to properly enforce against the Chinese competitor's open non-compliance has created an unequal playing field that gives third-country competitors an unfair advantage in gaining market share.

MEXICO

Discriminatory Barriers to Entry

The federal Secretariat of Infrastructure, Communications, and Transportation (Secretaria de Infraestructura, Comunicaciones y Transportes, SICT) regulates all major airports across Mexico. SICT has prohibited airports from allowing ridehailing platforms to operate and to offer their innovative services in fair competition with the traditional taxi industry. This discriminatory restriction denies U.S. ridehailing companies entry to an airport transportation market estimated at over \$150 million. It also serves to deny consumers, including American tourists and business travelers, a safe and reliable transportation option in a market otherwise characterized by heightened insecurity.

BRAZIL

OTT Regulations

The Brazilian Chamber of Deputies is considering legislation that would impose national content quotas and taxation on Video on Demand (VOD) platforms. This policy proposal creates uncertainty for investors and would unduly burden a still-developing industry and would be the only such measure in the region.

Network Fees

Brazil's telecom regulator, ANATEL, is exploring the implementation of "Network Fees," a mandatory payment that internet platforms (OTTs, including VOD providers) would owe to local telecom providers for infrastructure usage. However, OTTs and telecom providers share a symbiotic relationship, where OTT services drive internet consumption, and no clear evidence supports the need for regulatory intervention. This fee would effectively tax major platforms, creating competitive disadvantages, discouraging investment, and stifling innovation.

Copyright Reform

Brazil's House of Representatives is currently considering a bill that would create a new public performance right for artists whose work appears on streaming platforms. It is important that the Government of Brazil consults with rightsholders on any proposed copyright reform and ensures that measures do not over-regulate or create broad exceptions and limitations to copyright. In particular, the government should protect contractual freedom, avoid retroactivity, and not make the collection of rights payments through Collective Management Organizations an absolute obligation.

COLOMBIA

Network Fees

Colombia's telecom regulator, the Comisión de Regulación de Comunicaciones (CRC), is exploring the implementation of "Network Fees," a mandatory payment that internet platforms (OTTs, including VOD providers) would owe to local telecom providers for infrastructure usage. However, OTTs and telecom providers share a symbiotic relationship, where OTT services drive internet consumption, and no clear evidence supports the need for regulatory intervention. This fee would effectively tax major platforms, creating competitive disadvantages, discouraging investment, and stifling innovation.

ECUADOR

Intellectual Property Protection

The 2016, the Organic Code of the Social Economy of Knowledge, Creativity and Innovation (COESCI), supplanted the Intellectual Property Law (LPI) of 1998 and offers minimal safeguards for protecting the copyrights of foreign investors. In fact, in the 2024 United States Chamber of Commerce (USCC) International Intellectual Property Index Report, Ecuador's ranking declined to 50th among 55 world economies, with an overall score of 29.58%. This places Ecuador ahead of only five countries: Indonesia, Kuwait, Pakistan, Algeria, and Venezuela. This situation jeopardizes the viability of legal Pay-TV operations and Over-the-Top services. (OTT), Internet Protocol Television (IPTV) and Video-on-Demand (VOD), affecting investments of United States audiovisual companies in Ecuador.

MEXICO

Television Broadcasting Restrictions

Mexico continues to impose more stringent restrictions for advertising on Pay-TV channels than it does on free-to-air broadcast. Under the Federal Telecommunications Law, free-to-air channels can include advertising in up to 18% of their total programming time, with no hourly restriction, while Pay-TV channels are limited to 6 minutes per hour. Given the importance of advertising for foreign programmers, these restrictions significantly reduce revenue for foreign film and television program producers, including those based in the United States. While facially neutral, such regulations may violate the USMCA due to their discriminatory impact. The Pay-TV industry has attempted to level the playing field by adopting the practice "averaging" - including up to 12 minutes of advertising per hour while observing the daily limit of 144 minutes - which a Mexican court upheld in 2015. However, Mexican regulators have repeatedly questioned the validity of averaging, creating significant uncertainty.

Mexico has also discriminated in this area with respect to restrictions on foreign ownership of broadcast networks. In general, foreign entities are only permitted 49 percent ownership of broadcast networks; however, if applicable, that number is further reduced to match the limit imposed on Mexican companies by the foreign company's country of origin. This reciprocity does not apply in circumstances where the foreign company's country of origin permits ownership rights higher than Mexico's 49 percent limit. While also facially neutral, in practice, this restriction discriminates against the United States, which permits foreign entities full ownership of broadcast networks, subject to case-by-case reviews.

Telecommunications Law Reform

The new Agency for Digital Transformation and Telecommunications (ATDT) is working on a proposed Telecommunications Law Reform pursuant to the 2024 Constitutional Reform that dissolved the former telecom regulator, the Federal Institute of Telecommunications (IFT). A leaked draft revealed major concerns, including granting local operators oversight of programmers' advertising, designating programmers as obligated parties under advertising regulations (currently, the local operators are the obligated parties), and imposing mandatory contributions from OTT platforms to telecommunications providers (Network Fees). While the ATDT has publicly denied it intends on placing any new taxes or fees on OTT platforms, the other challenges remain. The proposed changes in the draft create legal uncertainty and raise concerns regarding constitutionality, legality, and potential discriminatory treatment toward international programmers.

Cultural Heritage Law

In 2022, Mexico enacted a Cultural Heritage Law, which aims to register and protect the traditional cultural expressions of indigenous and Afro-Mexican communities. While this is an important objective, the statutory language lacks clear guidelines for obtaining authorization for use of these cultural expressions. It carries criminal liability and also contains a list of ambiguous administrative infringements, thus risking unintentional violations. Mexico should implement this initiative transparently and ensure regulations provide clarity.

Copyright Regulations

The USMCA obligates Mexico to implement a number of key copyright provisions. As mandated by copyright reform, enacted on July 1, 2020, the Mexican Government was given 180 days to publish implementing regulations. However, the relevant agencies have not begun developing the regulations. While the constitutional challenges to the 2020 reforms have been resolved, the lack of implementing regulations and recent legislative changes affecting judicial and regulatory bodies pose ongoing challenges to the effective IPR enforcement.

Federal Cinematographic and Audiovisual Law

A February 2021 bill aimed to repeal the Federal Cinematographic Law and create the Federal Cinematographic and Audiovisual Law. This bill would have imposed a local content quota on streaming/OTT services and installed a range of theatrical restrictions intended to limit U.S. film exports and grant market-distorting preferences to local films. Such policies, if implemented, would unfairly restrict U.S. exports, in violation of Mexico's USMCA commitments. While this particular bill has lost viability, there remains significant local pressure to install protectionist policies in the audiovisual sector, and there are recent reports that Congress and the Ministry of Culture are working jointly on a new Cinematographic Law proposal. In those discussions, Mexican policymakers should pursue open markets, investments and collaborations that would result in job creation, knowledge transfer, and the alignment of the local industry with international best practices for the benefit of both the Mexican and U.S. industries.

BRAZIL

VOD Tax and Regulatory Framework

Brazil currently applies a Condecine tax on a per-title basis to films, pay-TV, and “other segments.” This tax does not apply to video on demand (VOD) services. However, there are several bills pending in the Brazilian Congress that would extend the Condecine tax to VOD services and impose other obligations on VOD providers, such as catalogue quotas, prominence for local works, and transparency obligations. These bills – most notably #8889/2017 and #2331/2022 – could undermine the viability of providers, chill investment, and reduce consumer choice.

Network Usage Fees

There is an active debate in Brazil over network usage fees with the Brazilian Telecom Agency (ANATEL), telecom companies, and the Ministry of Communications pushing for their implementation. In 2023, ANATEL launched a public consultation that included a discussion on network usage fees to fund telecom infrastructure, with a follow-up consultation in June 2024. More recently, Bill #2804/2024 aims to oblige OSPs to pay ISPs when they are responsible for over 3% of a network’s bandwidth and force OSPs with yearly gross revenues over US\$10 million to contribute to FUST (a telco fund). A different bill in the Lower House (#469/2024) would prohibit network usage fees. MPA opposes the adoption of such fees, which would severely impair competition in the Brazilian market, harm consumers, and undermine net neutrality.

Tax Issues

Brazil is currently undergoing a broad tax reform that will consolidate several consumption taxes into two new taxes (IBS and CBS). The main wording for the Tax Reform was approved in 2023, but several aspects of its implementation are still being discussed at the National Congress, including tax rates, exemptions and discounts, and tax restitutions. Complementary legislation must still be approved by Congress. The tax rates are not yet defined, but there are estimates that IBS and CBS will collectively be around 25%. Moreover, the Brazilian Congress is currently discussing several bills that aim to establish specific taxes for digital services, such as Bills #2358/2020, #131/2020, and #218/2020. Such tax increases would represent a burden to current taxpayers and a barrier to the entry of new competitors into the Brazilian market.

Pay-TV Content Quotas

Law #12.485/2011 imposed local content quotas for pay-TV, requiring every qualified channel (those airing films, series, and documentaries) to air at least 3.5 hours per week of Brazilian programming during primetime. It is also required that half of the content originate from independent local producers and that one-third of all qualified channels included in any pay-TV package must be Brazilian. Implementing regulations limit eligibility for these quotas to works in which local producers are the majority IP rights owners, even where such works are co-productions, and regardless of the amount invested by non-Brazilian parties. These quotas were recently renewed until 2038.

Screen Quotas

Theatrical quotas were recently renewed until 2033. The obligations include exhibiting a minimum percentage of Brazilian works, proportional to the number of screens of the complex, and a minimum amount of different works simultaneously, also proportional to the number of screens. Moreover, theater complexes with between 3 and 5 screens cannot exhibit the same work in over 66% of the screenings of a day, while those with 6 or more screens cannot exhibit the same work in over 50% of the screenings of a day, to prevent large theatrical releases from playing continually. The MPA opposes local content quotas, which limit consumer choice and can push consumers toward illegitimate content sources.

Accessibility Regulation

Obligations to offer audio description, closed-captioning, and sign language in Brazilian cinemas came into force in 2023. Brazil is currently considering various legislative proposals that aim to compel programmers, broadcasters and online service providers (OSPs) to provide additional accessibility tools within their services. The U.S. film industry supports measures to broaden access to its productions and to better serve patrons with disabilities. The industry is working closely with regulatory bodies and other stakeholders to ensure that the accessibility features are implemented with a technological solution that is secure, efficient, aligned with global best practices, and with reasonable timelines for implementation.

Account Sharing

Brazil's legislature is currently discussing bills (#2497/2023, #3299/2023 and #1153/2024) that intend to limit or prohibit measures taken by online subscription service providers to prevent account sharing among their users. MPA opposes these restrictions because they would not only impact providers' revenues and general freedom of contract but would also weaken copyright enforcement.

Internet Piracy

Brazil's legitimate online audiovisual services continue to suffer from the pervasive availability of illicit, advertising-supported services, despite the increasing availability of legitimate options. Studies carried out in 2022 indicate that content piracy costs the motion picture and television

Artificial Intelligence Regulation

The recently approved Senate Bill #2338/2023 aims to create a General Artificial Intelligence Framework that includes the use of copyrighted material for AI training, including text and data mining, as well as output labelling obligations. Policymakers should proceed with care as discussions evolve. The treatment of copyright in this regulation will impact the audiovisual industry, which depends upon strong copyright protection in the digital environment to generate revenue.

MEXICO

Local Content Quotas

On a regular basis, Mexican lawmakers and policymakers propose protectionist policies, such as the imposition of local content quotas in both theatrical and streaming/over-the-top (OTT) windows, as well as limits to the number of screens in which a given movie can be exhibited. If adopted, such measures would severely limit the exhibition of U.S. films in Mexico and would potentially contravene Mexico's USMCA commitments.

Changes to Telecom Regulatory Landscape

The motion picture industry remains concerned about Executive Branch attempts to hinder or silence the work of certain independent and autonomous regulators, including the Federal Telecommunications Institute (IFT), which has authority over OTT regulation. The Federal Government has replaced the IFT with a new Digital Transformation Agency, a ministry led by an appointee chosen directly by the President. This new agency lacks independence and has the unilateral power to publish rules for the telecommunications industry including digital platforms while previously, the IFT operated under a plenary of eleven commissioners. Congress must issue secondary legislation to implement this reform. Accordingly, the Administration is preparing a draft of the new Federal Law on Telecommunications and Broadcasting. Mexican policymakers should take care to craft provisions that preserve freedom of creativity and expression, avoid unnecessary burdens to the operation and development of digital platforms providing creative content, and uphold the spirit and the letter of the USMCA.

Judicial Reform

In September 2024, the Mexican Congress enacted a structural reform to the judiciary branch promoted by President Obrador. The key element of this reform is the election by popular vote of

Justices, Magistrates and Judges. The reform has generated significant debate in Mexico, especially since it is not clear that the new model will guarantee the independence and impartiality of the judicial branch. MPA urges that this reform does not undermine the rule of law in Mexico and not affect basic rights of due process and access to justice in Mexico.

Internet Piracy

Online piracy is a serious, widespread problem in Mexico. Illegal streaming devices (ISDs) and apps are increasingly present in Mexico's electronic-hardware gray markets, denoting increased preference for this type of illegal consumption. While there are some local infringing websites, many of the infringing sites and services routinely accessed by Mexican users are hosted outside of Mexico. Overall, the use of increasingly sophisticated streaming piracy sites, ISDs, and Internet Protocol Television subscription streaming services is ubiquitous. According to MPA data from 2023, the second most visited video on demand website for Mexican consumers was an illegal content site. Mexican authorities lack a comprehensive strategy for preventing digital piracy.

TCE Initiative

Mexico's Federal Law for the Protection of the Cultural Heritage of Indigenous and Afro-Mexican Peoples and Communities entered into force in 2022. The law aims to protect traditional cultural expressions (TCE) in a manner like copyrighted works, with the goal of combatting cultural appropriation and plagiarism of indigenous designs and expressions. The measure aims to register, classify, and document the TCEs of indigenous communities while also broadening the scope of protection and economic rights for these expressions. The measures also introduced a strict enforcement scheme with criminal penalties. This initiative poses legal uncertainty for a range of creative industries, given the absence of guidelines for the granting of authorization, the lack of clarity as to which communities are associated with a particular expression, and the fact that some expressions could be removed from the public domain.

Mexico's Human Rights Commission, an autonomous government agency, filed a claim of unconstitutionality against the law, citing policymakers' lack of consultation with indigenous communities during the law's formulation, and the excessive nature of the penalties. The case is pending review at the Supreme Court.

In September 2024, the Senate approved the presidential constitutional amendment to Article 2 on Indigenous Communities, which establishes TCE protection as these communities' right and expressly establishes that indigenous people hold collective copyright over their TCEs. Consequently, both federal and local governments must create a legal framework for protecting and promoting this right. Secondary regulation will be critical for the implementation of this reform. This constitutional reform, coupled with the 2022 Law, increases legal uncertainty in Mexico regarding audiovisual investments. The U.S. Government should encourage Mexican

authorities to implement these reforms with transparency and legal clarity and in alignment with Mexico's USMCA commitments.

Legislation to Implement USMCA Reforms

Mexico has passed legislation to implement many of its USMCA obligations. Helpfully, among a myriad of benefits, these reforms are poised to improve the defense of technological protection measures (TPMs), enable a notice-and-takedown system for the removal of infringing works online, provide higher administrative sanctions for copyright infringement, enable prosecution of camcording without proof of profit motive, and enhance the Mexican Institute of Industrial Property's online enforcement capabilities. Although these developments are positive, the growth of the legal digital marketplace in Mexico has been hampered by the absence of secondary regulation to implement USMCA reforms adhering to the Mexican Copyright Act. Further amendments are also needed to the Copyright Law or Civil Code to cover cable systems, as well as to provide civil remedies for satellite and signal piracy. MPA looks forward to working with the U.S. government to ensure that the agreement is fully and effectively implemented.

In response to the reforms of 2020, Mexico's National Human Rights Commission filed a case in the Mexican Supreme Court seeking to void the copyright gains as unconstitutional, particularly the provisions regarding criminal sanctions for circumvention of TPMs and the provisions on notice and takedown. The Supreme Court ruled in June 2024 to uphold the reforms as constitutional.

MEXICO

Mexico has engaged in an unfair practice with respect to the application of its VAT to insurance companies. Since Mexico's enactment of the VAT law in 1979, insurance companies were permitted to take a tax credit for VAT amounts included as part of claims paid to third party suppliers for non-life insurance expenses, such as medical expenses and automobile insurance claims. In fact, in 2004 and 2005, the Mexican Tax Administration Service (SAT) specifically confirmed in writing to the Mexican Insurance Association (AMIS) that insurance companies are allowed to take the tax credit.

However, in February 2020, without changing applicable laws or regulations, the SAT advised AMIS of its new position that the VAT is not creditable since the SAT does not consider claims payment to third parties as an essential part of the obligations of insurance companies. The SAT is planning to apply this new policy retroactively, extending as far back as 2015. The SAT's new interpretation poses financial and business risks to U.S. insurance companies operating in Mexico. If the change in policy is implemented, it will present solvency risks to some companies, and price increases will be required by those who remain in the market.

AGRICULTURE

In the agriculture and crop protection sectors, there are multiple layers impacting trade between countries. American farmers rely on a variety of crop protection tools to fulfill production demands as well as to protect their livelihoods. The regulatory framework in the United States was developed using a risk-based scientific approach that provides farmers with pragmatic solutions to real issues, such as pest pressures and changing climate. However, as US farmers seek to be more competitive in the international market, they are faced with standards, often EU-influenced, that are misaligned with the US.

The EU's reliance on hazard-based criteria for chemical regulation, has resulted in a proliferation of non-science-based restrictions on chemical residues, significantly impeding international trade. This approach often favors precautionary principles over rigorous risk assessments, leading to excessively stringent maximum residue limits (MRLs) that lack strong scientific justification. Additionally, the EU's regulatory influence has encouraged other nations to adopt similar hazard-based frameworks, thereby amplifying these trade barriers and creating a global environment where scientific evidence is often secondary to perceived hazards.

The EU's regulatory influence is often exerted in countries within Latin America, such as Argentina and Chile, that face pressures to follow the EU as the standard of safety in both environmental and consumer protections. This creates a disparity between products approved for use in one country and not another, and restrictive MRLs that do not facilitate trade. Canada, Mexico, and Brazil have taken a similar approach to their respective regulatory frameworks as the US with rigorous risk-based assessments utilized in their evaluation process to determine safe, trade enabling MRLs. The industry and its partners continue to work with the competent authorities to retain such frameworks that allow farmers a variety of solutions.

International harmonization yields substantial advantages fostering a more interconnected and efficient global landscape. Primarily, it streamlines international trade by diminishing technical barriers, thereby promoting economic growth and broadening consumer access to diverse products. The resulting predictability in regulatory environments reduces business uncertainty and compliance costs, stimulating investment and innovation.

The Codex Alimentarius, a joint initiative of FAO and WHO, stands as a cornerstone of global food safety and trade. It provides comprehensive collection of internationally recognized food standards, guidelines, and codes of practice, all aim at protecting consumer health and facilitating equitable trade practices. By establishing science-based standards for pesticide residues, Codex strengthens national food control system, enhances food safety, and builds consumer confidence. Supporting Codex promotes harmonization of food standards across nations. Currently, there are over 50 known observers of Codex MRLs as their standard with many more countries that default to Codex MRLs in the absence of an established National MRL.

In closing, the United States faces increasing challenges in maintaining its agricultural export competitiveness within a global landscape marked by divergent regulatory approaches. While reciprocal tariff policies may offer short-term leverage, a more sustainable and strategically advantageous path lies in championing a risk-based, scientific regulatory approach worldwide. This approach, grounded in robust data and transparent methodologies, aligns with the principles of sound science and fosters a level playing field for trade. Central to this strategy is the unwavering support of Codex Alimentarius in its efforts to harmonized MRLs. By actively participating and strengthening Codex, the US can promote the adoption of internationally recognized standards that ensure food safety while minimizing unnecessary trade barriers. Lastly, the US must remain vigilant regarding the growing influence of the EU's regulatory agenda, particularly as it pertains to MRLs.

Diplomatic engagement, scientific collaboration, and capacity building to promote the adoption of science-based regulatory frameworks globally are key for the US to secure long-term market access for its agricultural products and ensure the continued prosperity of its agriculture sector.