



Alliance for Fair Trade with India

September 25, 2014

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

As leading U.S. business associations representing thousands of companies and millions of U.S. workers from virtually every sector of the economy, we welcome the visit of Prime Minister Narendra Modi of India to Washington later this month. This visit comes at an important moment in Indian history, when a landslide election has given Mr. Modi a mandate for transformational economic reforms. To bolster this reform agenda, we ask that you encourage Mr. Modi to level the playing field for U.S. companies in India. A balanced and mutually beneficial U.S.-India commercial relationship is of critical importance not just to our two countries, but to the broader global trading system.

The previous Indian government pursued a variety of policies that prevented U.S. companies from contributing fully to India's economic growth and development – including raising tariffs; imposing discriminatory local content requirements; pursuing unworkable domestic regulations at odds with international standards; denying patents, revoking patents, and issuing and threatening compulsory licenses for patents; and failing to combat piracy of music, films, and software. These issues are systemic, going far beyond any one industry sector. In the manufacturing, agriculture, telecommunications, biopharmaceutical, solar energy, entertainment, semiconductor, and other sectors, many companies face measures that are discriminatory, unfair, or inconsistent with international norms.

Since taking office, Prime Minister Modi has declared India “open for business” and promised to incentivize investment and “give the world a favorable opportunity” to trade with and produce in India. If these bold statements can be translated into concrete action, it will be to the benefit of both our countries. We note, for instance, reports that the Indian government is planning to develop a comprehensive policy on intellectual property rights. A policy that recognizes the United States and India have shared economic and cultural interests in promoting investment in new original production, and that modifies guidelines that currently present a clear bias against the granting of biopharmaceutical patents, would be a positive step toward eliminating some of the barriers to U.S. exports imposed by the previous government.

Thus far, however, the new Indian government has pursued troubling policies of its own. In particular, the government abrogated the commitment India made at the World Trade Organization Ministerial in Bali in December 2013 and thereby blocked the implementation of a global trade facilitation agreement agreed to unanimously by all 160 members of the WTO, a

move that threatens to undermine the global rules-based trading system. The new Indian government has also raised tariffs and imposed burdensome new testing requirements on information and communication technology products from the United States and other countries. These actions send perplexing and contradictory new signals about India's role in the global marketplace.

Your meeting with Prime Minister Modi later this month is a critical opportunity to press for concrete action and real results that can drive economic growth in both our countries. If the Prime Minister is serious about an economic reform agenda that would give India and the United States a chance to reinvigorate bilateral trade and investment ties and build a deeper and more reciprocal commercial relationship, we stand ready to work with you and his government in that endeavor.

Sincerely,

American Business Conference
American Foundry Society
Association of Equipment Manufacturers
Biotechnology Industry Organization
California Manufacturers & Technology Association
CropLife America
Emergency Committee for American Trade
INDA, Association of the Nonwoven Fabrics Industry
Motion Picture Association of America
National Association of Manufacturers
National Electrical Manufacturers Association
National Foreign Trade Council
Pharmaceutical Research and Manufacturers of America
Recording Industry Association of America
Telecommunications Industry Association
U.S. Chamber of Commerce