

Motor & Equipment Manufacturers Association

1030 15th Street, NW Suite 500 East Washington, DC 20005
Tel 202.393.6362 Fax 202.737.3742 www.mema.org



April 6, 2020

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
Washington, DC 20230

The Honorable Robert E. Lighthizer
United States Trade Representative
Washington, DC 20508

Dear Secretary Ross and Ambassador Lighthizer,

The Motor & Equipment Manufacturers Association (MEMA) is the leading trade association representing U.S. motor vehicle parts suppliers. These companies manufacture and remanufacture components, technologies, and systems for use in passenger vehicles and heavy trucks. In total, vehicle parts manufacturers represent the largest sector of manufacturing jobs in the United States, directly employing over 871,000 Americans in all 50 states and generating 2.4 percent of U.S. GDP.

MEMA's members, together with the entire motor vehicle industry, have been working to assist in efforts to address public health, workforce, and economic conditions facing the U.S. and vehicle parts manufacturers during the COVID-19 crisis, including efforts to restart production and the economy. Motor vehicle suppliers are gravely concerned about the sanitary emergency health order issued by the government of Mexico and the negative economic impact it poses on the ability of North American vehicle and parts manufacturers to continue aftermarket operations and return to original equipment operations and support the vital 'essential businesses' that rely on our industry.

As you are probably aware, unlike in the U.S., the manufacture of motor vehicle parts has not been deemed as an essential business activity by the Mexican government. In addition, there is no clear process in Mexico for companies to address potential exclusions.

Mexico's action illuminates the need to hold three-party discussions (U.S., Canada, and Mexico) on how the North American motor vehicle and parts manufacturing industry will return to normal operations safely and effectively. The motor vehicle industry and our country's financial future depend on ensuring this happens. Your leadership will allow this to happen more effectively.

In addition, MEMA urges you to:

1. Support the continued operation of aftermarket parts manufacturers in Mexico as essential business activities, as the Department of Homeland Security has deemed them in the U.S. This designation will allow Mexican parts manufacturers to ship to U.S. distributors and retailers. Any disruption of this supply limits the ability of essential U.S. motor vehicle service and repair facilities to meet the needs of all consumers including hospitals, ambulance companies, fire departments, health professionals, and other



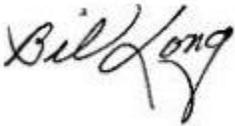
essential personnel due to a lack of parts supply. Mexico should allow for the continued production and distribution of aftermarket parts not just in Mexico, but also for shipment to U.S. distributors and retailers.

2. Provide for greater clarity in the Mexican order to enable Mexican-based original equipment suppliers to produce and ship parts in the North American region. U.S. vehicle manufacturers must have their Mexican parts suppliers shipping products to maintain vehicle production. Today, Mexican suppliers run the risk of operating contrary to local or federal decrees and seriously jeopardizing future operations. Greater clarity in the Mexican order is needed to allow Mexican parts suppliers to operate to enable all North American vehicle manufacturers to produce finished vehicles.

We ask you to address these concerns as quickly as possible to allow both the U.S. and the North American motor vehicle industry to both continue essential operations and return to production as soon as feasible.

Thank you for your continued leadership and assistance. The motor vehicle parts industry stands ready to work with you and the entire administration in this time of national crisis.

Sincerely,

A handwritten signature in black ink that reads "Bill Long". The signature is written in a cursive, slightly slanted style.

Bill Long
President & CEO

Cc: Lawrence A. Kudlow, Director, National Economic Council