

July 22, 2013

The Honorable Joseph R. Biden, Jr.
Vice President of the United States
Old Executive Office Building
Washington, DC 20501

Dear Mr. Vice President:

As leading U.S. business associations representing millions of U.S. workers from virtually every sector of the U.S. economy, we applaud your decision to visit India later this month. The U.S.-India strategic partnership is of critical importance not just to our two countries, but to the whole world. There is much to be gained in a strong and healthy relationship between the United States and India based upon mutual understanding and respect.

Unfortunately, many U.S. companies are facing serious issues doing business in India that currently limit the potential of that relationship. 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, and/or inconsistent with international norms.

Last week's announcement regarding a review of India's Preferential Market Access (PMA) policy related to information and communications technology equipment is a step in the right direction, but the announcement does not fully resolve the PMA issue, since the policy has not been permanently and beneficially reformed, nor does it address the range of other concerns that have been voiced. Moreover, there have also been steps backward, including potential new localization barriers to trade in thermal power generation.

We agree with Ambassador Froman's recent observation that "experience has shown that the United States and India demonstrate the greatest progress when they are open to each other's trade and investment, helping to drive economic growth and creating jobs in both countries." But India has pursued a broad policy to force the local production of goods, including in the information and communication technology and clean energy fields, severely restricting the ability of U.S. companies to compete and giving Indian companies an unfair advantage. Indian tax authorities increasingly are imposing discriminatory taxes on U.S. multinationals, making U.S. businesses less competitive and triggering expensive litigation to resolve tax controversies.

India is also failing to respect intellectual property rights by denying, breaking, or revoking patents on agricultural products and nearly a dozen medicines for the purpose of enabling domestic companies to manufacture them in India – often for export – to the disadvantage of American companies and American workers. India has taken inadequate action to address runaway copyright infringement, particularly online, that severely undermines the entertainment market to the detriment of American and Indian music and film companies alike. And India thus far has been unresponsive to industry's recommendations for the enactment of anti-camcording legislation, despite accounting for more than half of all illicit camcordings of

films in Asia and undermining the global marketplace for U.S. films. Worse, other countries around the world are beginning to look to India as a model for such economic development policies. Without a forceful U.S. response to these and other discriminatory policies that India has undertaken, we fear that other countries may feel free to emulate them.

These problems are all the more disconcerting because our companies face them only by virtue of having made the decision to grow their commercial partnerships with, and in many cases to invest in, India. We all recognize the enormous potential India possesses. To realize that potential, however, India must reject such self-defeating policies and look toward its long-term future.

We are heartened that Secretary Kerry and Ambassador Froman have recently had productive meetings with their Indian Government counterparts. We believe this sort of direct, high-level engagement is key to resolving our differences. However, this dialogue now needs to be translated into concrete action and real results, including during an early Ministerial-level Trade Policy Forum. We hope you will deliver that clear message during your upcoming trip.

U.S. businesses are eager to partner with India in growing the country's economy for our mutual benefit, but they cannot do so if the Indian government follows a course of discrimination, inadequate enforcement, and unfair treatment. Thank you in advance for your efforts on behalf of American businesses and American workers.

Sincerely,

Advocates for Responsible Care
American Foundry Society (AFS)
Arkansas State Chamber of Commerce/AIA
Associated Industries of Missouri
Associated Industries of Vermont
Association of Equipment Manufacturers (AEM)
Associated Oregon Industries
Association of Washington Business
BayBio
BIOCOM
Biotechnology Industry Organization (BIO)
Business and Industry Association of New Hampshire
California Manufacturers & Technology Association
Colorado Association of Commerce & Industry
Connecticut Business & Industry Association
CropLife America
Georgia Association of Manufacturers
Illinois Biotechnology Industry Organization
INDA, Association of the Nonwoven Fabrics Industry
Information Technology Industry Council (ITIC)
Iowa Association of Business and Industry

Molecular Biology Consultants
Motion Picture Association of America (MPAA)
National Association of Manufacturers (NAM)
National Electrical Manufacturers Association (NEMA)
Nevada Manufacturers Association
North Dakota Chamber of Commerce
Ohio Manufacturers' Association
Pharmaceutical Research and Manufacturers of America (PhRMA)
Recording Industry Association of America (RIAA)
Solar Energy Industries Association (SEIA)
South Dakota Chamber of Commerce & Industry
Telecommunications Industry Association (TIA)
Tennessee Chamber of Commerce & Industry
Texas Association of Business
The Kansas Chamber
U.S. Chamber of Commerce
Virginia Biotechnology Association
Virginia Chamber of Commerce
Virginia Manufacturers Association
West Virginia Manufacturers Association
Wisconsin Manufacturers & Commerce