

Congress of the United States
Washington, DC 20515

September 18, 2015

Hon. John Kerry
Secretary of State
2201 C Street, NW
Washington, DC 20520

Hon. Penny Pritzker
Secretary of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Dear Secretary Kerry and Secretary Pritzker:

We write to you ahead of the inaugural meeting of the U.S.-India Strategic and Commercial Dialogue (“S&CD”) to urge you to ensure that expanding the bilateral trade and investment relationship is a top priority for this new forum. Over the past year, there has been reason for optimism about the overall U.S.-India relationship. Amidst global economic uncertainties, India’s economy has grown. We are hopeful that Prime Minister Modi’s stated commitment to reforms in India – if achieved – has the potential to create significant positive opportunities for U.S. workers, businesses, and farmers. We urge you to use the newly-minted S&CD to encourage and strengthen market-based reforms and policies in India and harness this forward momentum.

The United States and India currently have the largest bilateral trade and investment flows ever recorded between the two countries, with total goods and services trade topping \$100 billion in 2014. President Obama and Prime Minister Modi have committed to increasing these flows fivefold to \$500 billion, and we support this goal. However, to achieve this objective, we must make meaningful progress in addressing the significant barriers that India has erected, which have prevented the U.S.-India trade and investment relationship from reaching its full potential. We agree with Secretary Pritzker’s statement in January in announcing the creation of the S&CD, that this forum must “produce concrete results,” and ensure that “United States and Indian businesses – small, medium and large – are in a position to capitalize on abundant opportunities that exist in both of our countries.”

Seizing these opportunities will take effort. As demonstrated in the U.S. International Trade Commission December 2014 report produced for our Committees, India maintains many policies and regulations that keep U.S. workers and businesses from realizing new opportunities in India or expanding partnerships. These policies and regulations affect high-value added, knowledge-based sectors in the United States, and have direct negative impacts on American companies, workers, and farmers.

For example, India’s policy of requiring in-country security testing of telecommunications equipment is a significant barrier and falls outside international standards. In the area of intellectual property rights, we continue to be concerned by India’s inadequate system for the protection and enforcement of copyrights. Insufficient respect for and enforcement of patents, most notably relating to biopharmaceuticals, is also a perennial area of concern for U.S. rightholders. We hope that the S&CD will lead India to take steps to address these concerns and ensure adequate protection of intellectual property rights.

In addition, India not only maintains a 50 percent average rate on its bound tariffs but, as part of its 2015 budget, actually raised applied tariffs on information technology products contravening its commitments under the World Trade Organization’s Information Technology Agreement. India also restricts access to its market through non-transparent, and often discriminatory, regulatory and licensing procedures and practices. The most blatant include a variety of forced localization measures covering products ranging from solar to information technology. We are also concerned that India maintains agricultural policies that prevent U.S. farmers and ranchers from exporting their products to the Indian market, which is in need of the safe and consistent sources of

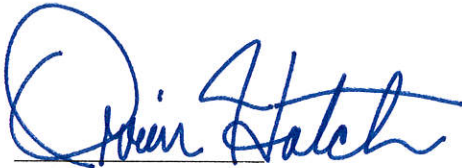
supply that the United States can provide. These policies include backlogs in India's food approval system, non-science-based sanitary and phytosanitary measures, burdensome import licensing procedures, and high tariffs.

Also significant is that international trade cooperation with India on the multilateral front has been difficult. India significantly delayed the completion of the WTO Trade Facilitation Agreement last year, and India's plans to implement the agreement remain unclear.

This non-exhaustive list of barriers that negatively affect both Indian and U.S. businesses, consumers, and exporters underscores the importance of the S&CD. When the United States and India kicked off the Strategic Dialogue framework in 2009, there were hopes that a predictable schedule of engagement would lead to economic gains for both countries. While the framework has thus far provided fewer concrete results than we would have liked, the expanded S&CD framework provides new opportunities to focus on solving immediate issues and setting the stage for enhancing our bilateral trade and investment engagement in the upcoming Trade Policy Forum. Sustained engagement provides the opportunity that U.S. businesses and workers will receive the full benefit from an improved bilateral economic relationship.

A democratic, free-market India of 1.2 billion strong is in the economic and foreign policy interest of the United States, and trade and investment ties form the bedrock of a successful broader bilateral bond. As strong supporters of the U.S.-India relationship, we urge you to take full advantage of the S&CD to address significant and long-standing bilateral concerns, encourage India to follow through on its reform agenda, and set ambitious new goals to improve bilateral trade and investment.

Sincerely,



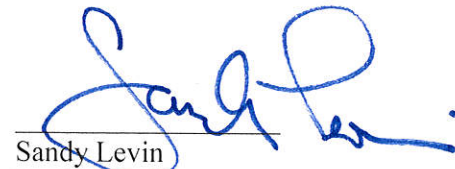
Orrin Hatch
Chairman
Senate Committee on Finance



Paul Ryan
Chairman
House Committee on Ways and Means



Ron Wyden
Ranking Member
Senate Committee on Finance



Sandy Levin
Ranking Member
House Committee on Ways and Means