



By Electronic Mail

March 15, 2020

The Honorable Michael R. Pompeo
United States Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

The Honorable Robert E. Lighthizer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Protecting American Consumers and the Global Supply Chain from Harmful Export Restrictions in Response to 2019-Novel Coronavirus

Dear Secretary Pompeo and Trade Representative Lighthizer:

On behalf of the Consumer Brands Association, I write to urge the U.S. Department of State and the Office of the U.S. Trade Representative (USTR) to protect American consumers by combatting global export restrictions on products used to treat and prevent 2019-Novel Coronavirus (COVID-19), as well as any other hoarding of food supply, hygiene or cleaning materials required to make products that maintain the health and wellbeing of American consumers. As the nation's leading association representing the consumer packaged goods (CPG) industry, Consumer Brands is committed to ensuring that American consumers have access to the essential products they depend on every day. In times of pandemics, those essentials include over-the-counter medicines, cleaning and disinfecting agents, personal care products and non-perishable staples — many of which are already in short supply at retailers across the United States.

Absent early intervention, Consumer Brands fears that efforts by other countries to restrict the export of base materials, nutritional and food inputs, chemicals and other essential manufacturing supplies and ingredients will prevent manufacturers from being able to increase production, ultimately leading to consumers being unable to obtain products that are vital to treating and stopping the spread of COVID-19 and remaining healthy.

In response to the COVID-19 outbreak, we have already seen multiple countries enact restrictions on the export of base materials, chemicals, medical supplies and ingredients. If other countries were to follow suit by significantly disrupting the supply chain of these critical ingredients, it could substantially increase the risk of product shortages in the United States, and thus pose a serious threat to the public health. For example, India — the world's top supplier of generic drugs — recently restricted the export of 26 active pharmaceutical

ingredients (APIs) and medications manufactured using those APIs.¹ Included in this list is acetaminophen, an API used in over-the-counter medicines indicated to treat the flu-like symptoms caused by COVID-19. By disrupting the global supply of key APIs, these restrictions could severely limit the ability of manufacturers — who often rely on global suppliers and are unable to change suppliers without undergoing a lengthy approval process — to produce important products for the U.S. market. It would only require a handful of countries taking a similar approach to quickly result in long-term, critical ingredient shortages, which would increase prices and severely limit consumer access to products essential to human health and the response to COVID-19.

Further, these global export restrictions are not just limited to base ingredients and chemicals. On March 4, Germany enacted a ban on the export of protective medical products including masks, gloves and suits.² France, the Czech Republic, Turkey and Russia have enacted similar export restrictions in recent days.³ In the United States — where the Centers for Disease Control and Prevention recommends that healthcare professionals use protective medical products to prevent the transmission of COVID-19 between themselves and potentially infected patients — distributors have already reported shortages of these products.⁴ By disrupting the global supply chain, export restrictions will only exacerbate these shortages, thereby limiting the availability of these products for American consumers and healthcare professionals.

Consumer Brands Association member companies manufacture some of the critical cleaning, disinfecting and sterilization products used by individual consumers and industrial customers to prevent the spread of COVID-19. One CPG company reported it relies on more than 9,000 key materials from China for the manufacturing of around 17,600 products, some of which are considered critical to the fight against COVID-19. As hospitals begin to fill up and more Americans are forced to quarantine, it is vital that healthcare professionals and families have access to the essential products needed to prevent further contamination.

Global export restrictions drastically increase the risk that the United States will face shortages of products that are vital to responding to COVID-19, and consequently pose a serious threat to

¹ See India Ministry of Commerce & Industry, Notification No. 50/2015-2020, *Amendment in Export Policy of APIs and Formulations Made from those APIs* (Mar. 3, 2020), https://dft.gov.in/sites/default/files/Noti%2050_o.pdf.

² See *Germany Bans Export of Medical Protection Gear Due to Coronavirus*, REUTERS (Mar. 4, 2020), <https://www.reuters.com/article/health-coronavirus-germany-exports/germany-bans-export-of-medical-protection-gear-due-to-coronavirus-idUSL8N2AX3D9>.

³ See Francesco Guarascio & Philip Benkinsop, *EU Fails to Persuade France, Germany to Lift Coronavirus Health Gear Controls*, REUTERS (Mar. 6, 2020), <https://www.reuters.com/article/us-health-coronavirus-eu/eu-fails-to-persuade-france-germany-to-lift-coronavirus-health-gear-controls-idUSKBN20T166>; Amie Tsang, *E.U. Seeks Solidarity as Nations Restrict Medical Exports*, N.Y. TIMES (Mar. 7, 2020), <https://www.nytimes.com/2020/03/07/business/eu-exports-medical-equipment.html?auth=login-google>.

⁴ See Ctrs. for Disease Control & Prevention, *Interim Infection Prevention and Control Recommendations for Patients with Suspected or Confirmed Coronavirus Disease 2019 (COVID-19) in Healthcare Settings* (updated Mar. 10, 2020), <https://www.cdc.gov/coronavirus/2019-ncov/infection-control/control-recommendations.html>.

public health. Moreover, issues could compound quickly if similar restrictions affected products intended for food, nourishment and recovery of the general population. To avoid these consequences and get ahead of any potential compounding concerns, Consumer Brands urges the Department of State and the USTR to take all possible actions to combat these export restrictions and protect the global supply chain. Specifically, Consumer Brands requests that the Department of State and the USTR work with their federal and state partners to take the following actions:

- Assess the full universe of products affected by the export restrictions other countries have enacted in response to COVID-19. This assessment should focus on how these restrictions could affect products that are vital to treating and preventing the spread of COVID-19.
- Work with key trading partners throughout the world — including those in India and the European countries that have imposed export restrictions — to mitigate the harm caused by these export restrictions, prevent the implementation of future restrictions and ensure global collaboration in confronting this public health crisis.
- Determine whether any of these export restrictions violate existing trade agreements and, if so, take appropriate action as provided under those agreements.
- Solicit further information from industry regarding the effects of export restrictions and work with industry to develop a coordinated response to these restrictions that will ensure that consumers have continued, affordable access to important goods, including over-the-counter medicines and other products necessary to preventing the spread of COVID-19.
- Seek to lift tariffs where those tariffs may be impeding the supply chain or otherwise increasing costs to the consumer during this unprecedented time.
- Assess what goods and other freight have historically been transported on passenger aircraft to determine what will need to be rerouted or shipped via alternative means.

In the wake of this unparalleled public health emergency, it is vital that American consumers have access to the products they need to maintain health and to treat and prevent the spread of COVID-19. By acting immediately to protect the global supply chain, the Department of State and the USTR can play an essential role in ensuring this access and advancing public safety. On behalf of Consumer Brands, I thank you for your ongoing efforts to ensure that all Americans can access the products they need to protect themselves, their families and the general public.

Sincerely,



Bryan Zumwalt
Executive Vice President,
Public Affairs
Consumer Brands Association