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## United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

JOSHUA SHEINKMAN, STAFF DIRECTOR  
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June 21, 2023

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear President Biden:

We write to you ahead of Prime Minister Narendra Modi's official state visit to urge you to prioritize the elimination of India's significant barriers to U.S. trade and investment on the Indian subcontinent.

The United States and India share a close partnership, grounded in shared democratic values and strong people-to-people ties. At the same time, while Indian businesses continue to benefit from access to the U.S. market, India maintains numerous trade and investment barriers that harm U.S. producers across many sectors of our economy, including agriculture, manufacturing, and services.

In particular, India unreasonably maintains extremely high tariffs and burdensome licensing requirements; administers purported agricultural safety measures that lack any scientific justification; and consistently fails to provide adequate protection of intellectual property (IP) rights. As a result, bilateral trade remains limited, particularly relative to the size of our economies and populations, and American farmers, workers, and businesses are denied opportunities that we extend to Indian interests.

We support your Administration's efforts to strengthen our economic engagement with India, including through the U.S.-India Trade Policy Forum (TPF) and the Indo-Pacific Economic Framework (IPEF). Yet these high-level discussions have not resulted in the elimination of major distortive trade and investment barriers or even deterred India from imposing new barriers. Your meetings with Prime Minister Modi provide an opportunity to press India for results.

To that end, we are highlighting ongoing trade challenges in the following areas, which need to be resolved in order to make progress in the U.S.-India economic relationship:

- **Agriculture:** The 2023 National Trade Estimate Report on Foreign Trade Barriers notes that India's average applied tariff rate is the highest of any major world economy, and it

imposes especially high tariffs on agricultural imports. India's high tariffs on U.S. agricultural goods, including apples, blueberries, cherries, dairy, nuts, pears, chickpeas, lentils, potatoes, and alcoholic beverages, present a significant barrier to trade that has been compounded by India's retaliatory tariffs imposed on certain U.S. imports in 2019.

In addition to high tariff rates, U.S. farmers face a number of significant headwinds in the Indian market. For instance, U.S. wheat and rice farmers exporting to India and third markets are negatively impacted by India's domestic subsidies. We appreciate the steps that the Administration has taken to quantify and hold India accountable for its level of distorting subsidies, including working with allies to file counter-notifications at the World Trade Organization (WTO) that will bring much-needed transparency to the scope and negative impacts of India's domestic price supports for certain programs. We note that these distortive price support practices are ongoing and longstanding, and we urge you to consider pursuing a formal dispute settlement case against India.

We also remain concerned about India's regulatory practices. India has, in a number of instances, imposed sanitary and phytosanitary (SPS) trade restrictions, which are not based on science and discriminate against U.S. growers. India also utilizes licensing regimes and technical regulatory practices and labeling requirements to hamper U.S. agricultural trade. For instance, India's onerous regulatory requirements on dairy imports prevent U.S. dairy farmers and processors from fully accessing the Indian market. For over two decades, India has limited imports of dairy products, through a number of non-science based restrictions, including feed restrictions. India imposes a series of animal dietary restrictions, certification requirements, and facility registration obstacles that act together to limit access to the Indian market. Separately, India's restrictions on biotechnology, and their slow and opaque approval processes, must also be addressed.

- ***Digital Trade and Services:*** India is increasingly erecting barriers to digital trade and trade in services, such as explicit censorship requirements, data localization, and local presence requirements, restrictive encryption standards, and the blocking and throttling of internet services. These policies threaten market access for U.S. companies while harming the Indian people's access to critical information and communication channels. In a recent two-part investigation, the U.S. International Trade Commission described how the Indian government leverages censorship practices both to control speech and information in India and to restrict trade and investment for U.S. companies and their workers. We note that these restrictions impede market access for a range of U.S. digital services, including banking and financial services, media and entertainment, retail and wholesale services, and technology and telecommunications.
- ***Intellectual Property Rights:*** We continue to have concerns about India's protection and enforcement of patents, trademarks, and copyrights. India recently appeared on the Priority Watch List in the Office of the U.S. Trade Representative's 2023 Special 301 Report, which notes that "India remains one of the world's most challenging major economies with respect to protection and enforcement of IP." Of particular concern to U.S. companies across various sectors are trademark counterfeiting, copyright infringement, and patent issues, including ongoing threats of patent revocations and the

lack of presumption of patent validity. India's insufficient enforcement across the board in this area remains a concern for U.S. rights holders.

The U.S.-India trade and investment relationship holds significant potential for Americans and Indians alike. But unlocking this potential requires diligent and concrete actions to resolve these persistent trade and investment challenges. We urge you to raise these issues with Prime Minister Modi this week and work urgently to achieve progress in the U.S.-India trade relationship.

Thank you for your attention to this important matter. We stand ready to assist as needed.

Sincerely,



Ron Wyden  
Ron Wyden  
United States Senator  
Chairman, Committee on  
Finance



Michael D. Crapo  
Michael D. Crapo  
United States Senator  
Ranking Member, Committee  
on Finance

cc: Ambassador Katherine C. Tai, United States Trade Representative  
Secretary Tom Vilsack, United States Department of Agriculture  
Secretary Gina Raimondo, United States Department of Commerce