



Wednesday, June 9, 2021

The Honorable Katherine Tai
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

The Honourable Mary Ng, MP
Minister of Small Business, Export Promotion
and International Trade
House of Commons office
Ottawa, Ontario K1A 0A6

Her Excellency Tatiana Clouthier
Secretary of Economy
Pachuca 189, Col. Condesa, Cuauhtémoc
6140 Mexico City

Dear Ambassador Tai, Minister Ng and Secretary Clouthier:

On behalf of the United States Personal Care Products Council (PCPC), Cosmetics Alliance Canada (CA), and the Mexican Cámara Nacional de la Industria de Productos Cosméticos y la Asociación Nacional de la Industria del Cuidado Personal y del Hogar, A.C. (CANIPEC), we are writing to express our industry's continuing strong support for the United States-Mexico-Canada Agreement (USMCA). We are especially appreciative of the USMCA's high standard Cosmetics Annex that will align good regulatory practices and result in significant benefits for our manufacturers and consumers in all 3 countries. We would also like to congratulate you on the first USMCA Free Trade Commission meeting.

As our governments now focus on assuring a smooth and effective implementation of the Agreement's obligations, we would like to call your attention to several areas in the Cosmetics Annex and U.S.-Canada Appendix to the Annex that were highlighted for further regulatory cooperation. We would appreciate any information you may have on progress made to further align regulatory practices in these areas. We also stand ready to any industry information or support you or the other relevant authorities deem useful.

In particular, the Cosmetics Annex includes a commitment for all parties to continue efforts to seek closer alignment of cosmetic ingredient labeling and, no later than one year following the

entry into force of the Agreement, to report progress toward this goal to the USMCA Free Trade Commission. As our industry highlighted during the USMCA negotiations, the lack of alignment in ingredient labeling adds \$113 million a year in re-working, logistics/transport, and additional inventory costs to U.S. cosmetics exports to Canada alone.

More specifically, industry has requested that the U.S. Food and Drug Administration (FDA) permit the use of all common cosmetic ingredient names adopted by the International Cosmetic Ingredient Nomenclature Committee (INCI names). While the FDA allows the use of most INCI names, it only recognizes the English INCI names for certain (57) ingredients. This policy requires costly changes to product labeling and inventory systems, and undermines the principles of a common international ingredient nomenclature.

The parties of the U.S.-Canada Appendix also committed to strengthening cooperation to align labeling requirements for “Facts Tables” and tamper-evident packaging for certain products that are regulated as over-the-counter drugs in the U.S., and non-prescription drugs or natural health products in Canada. These products are widely considered as essential to the health and well-being of most consumers and are low-risk. Yet, the differences between U.S. and Canadian requirements result in unnecessary costs to manufacturers and burden trade.

Again, more specifically, we are seeking Canada to align its tamper-evident packaging requirements with those that Canada currently requires for non-prescription drugs and the U.S. requires for over-the-counter drugs. It would appear that the only current outlier to alignment is with products regulated by Canada’s *Natural Health Product Regulations*.

Additionally, we are seeking both Canada and the U.S. to either align OR mutually recognize each other’s differing requirements for the information provided in their respective drug fact tables. This includes the use of differing terms for the same thing (i.e. doctor vs. physician), as well as the ability to italicize various terms.

Once again, we welcome any opportunities to support continued cooperation between our three countries to resolve the outstanding issues in the USMCA Cosmetics Annex and to create opportunities for our respective members that will increase trade, jobs, and access to safe, high quality products for our consumers.



Sincerely,

Lezlee Westine
President & CEO
Personal Care Products Council

Darren Praznik
President & CEO
Cosmetic Alliance Canada

Carlos Berzunza Sanchez
Director General
Mexican Cámara Nacional de
la Industria de Productos
Cosméticos & Asociación
Nacional de la Industria del
Cuidado Personal y del Hogar,
A.C.

Cc: Daniel Watson, Assistant U.S. Trade Representative for the Western Hemisphere, USTR
Linda Katz, MD, MPH, Director, Office of Cosmetics and Colors, CFSAN, FDA
Mark Abdo, Associate Commissioner for Global Policy and Strategy, FDA
María de la Mora, Undersecretary for Foreign Trade, Secretaría de Economía
Alejandro Svarch, Federal Commissioner of COFEPRIS
Hon. Patty Hajdu, MP, Minister of Health (Canada)
Dr. Stephen Lucas, Deputy Minister of Health (Canada)