

Congress of the United States
Washington, DC 20515

November 17, 2017

His Excellency David MacNaughton
Ambassador of Canada
The Embassy of Canada
501 Pennsylvania Avenue, N.W.
Washington, DC 20001

Dear Ambassador MacNaughton:

As members of the Pennsylvania Congressional Delegation, we understand the importance of the North American Free Trade Agreement (NAFTA) to all sectors of both the United States and Canadian economy and commend the timely start to the NAFTA modernization talks. We fully support the need to examine and update NAFTA to reflect today's global value chain and new ways to do business in the global economy. As the NAFTA talks progress, we request your attention to trade restrictions that have hindered the ability of a Pennsylvania broadcast retailer to sell products to Canada.

We have specific concerns regarding Canada's "cultural exemption" under NAFTA. This cultural carve out has enabled Canada to discriminate against U.S. television content providers in Canada, harming Pennsylvania's retail economy. In particular, Canada maintains significant regulatory barriers to entry for U.S. television shopping companies that seek to broadcast their content into the Canadian market. Based on its cultural exemption under NAFTA, Canada imposes restrictive licensing, ownership, and other related requirements on U.S. companies without regard to the type of broadcast content. Because Canada treats TV shopping programming in the same manner as cultural, historical, and editorial programming, U.S. television shopping companies are needlessly limited or precluded from engaging in retail activities in Canada that are purely commercial in nature. In contrast, Canadian TV shopping companies face no such reciprocal barriers at the U.S. border.

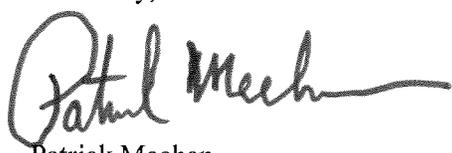
Members of our delegation recently raised this issue directly with Prime Minister Justin Trudeau during his recent visit with the House Ways and Means Committee. We appreciate your attention to this important issue and would like to continue to work with you to find a solution through the NAFTA discussions. Promoting and protecting cultural industries in Canada may be an important trade policy objective from Canada's perspective. But TV shopping services are not cultural – they are retail in nature and therefore are being unfairly discriminated against by Canada. Therefore, we seek an outcome in NAFTA negotiations that allow commercial activities such as TV shopping.

We are looking forward to working with you on our shared goal of making free trade agreements benefit our North American workers, manufacturers and exporters.

Sincerely,



Mike Kelly
Member of Congress



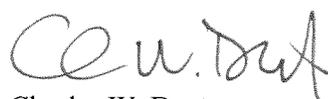
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