



## Helping Global Companies with Significant United States and Mexico Operations Solve COVID-19-Related Supply Chain Disruptions

### Overview

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Discrepancies in the timing and scope of measures adopted by the governments of the United States and Mexico in response to the COVID-19 pandemic resulted in disruptions to the supply chains of several client global companies. As United States and Mexican logistic networks are deeply integrated and often rely on “just in time” shipping, disruptions in supply chains have nearly immediate effects on our clients’ businesses.

We assembled a team of public policy experts with deep knowledge of the United States and Mexican governments to help several multi-national corporations with cross-border supply chains develop immediate policy and operational responses. We also advocated for them with officials on both sides of the border and helped them inform United States and Mexican officials of their needs, all while navigating best practices in health and safety during this unprecedented time.

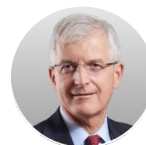
### Covington Team

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Previously served as Assistant Secretary in the Bureau of Western Hemisphere Affairs at the U.S. State Department. She also served as the Western Hemisphere Member of the Policy Planning Staff and, in the White House, as Director for Mexico and Canada, Brazil and the Southern Cone, and interim Director for the Andean region in the National Security Council’s Office of Western Hemisphere Affairs. She was previously the founder and Director of the U.S.-Mexico Futures Initiative at the Center for Strategic and International Studies. She spent five years consulting for private sector clients in Mexico, Argentina, and Chile.



**Alan P. Larson**  
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Previously served in the U.S. State Department’s two top economic policy jobs, spanning several U.S. administrations, as Under Secretary of State for Economics and Assistant Secretary of State for Economic and Business Affairs, as well as U.S. Ambassador to the OECD.



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### **Zachary M. Mears**

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Helps companies in the aerospace, defense, and national security sector navigate policy and regulatory challenges involving the U.S. Congress and Executive Branch. He previously served as Chief of Staff to the Deputy Secretary of Defense and Deputy Chief of Staff to the Secretary of Defense.

## Problem

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- Mexico's first confirmed case of COVID-19 was a month after the first confirmed case in the United States. As a result, the spread of the coronavirus in Mexico lagged the spread in the United States, and the two countries adopted social distancing measures and business restrictions on different timelines.
- In addition, Mexico's list of sectors deemed essential was initially more limited than that of the United States under a different set of criteria.
- Multi-national corporations with cross-border supply chains encountered circumstances where Mexican federal and state authorities severely restricted or prohibited operational activity in facilities in Mexico that were necessary to critical and essential healthcare, medical, and aerospace and defense customers in both countries.

## Strategy

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- Covington assembled a team with deep public policy expertise in both the United States and Mexico.
- The firm advised the clients on how to navigate the discrepancies between the measures in each country, and particularly, the essential sectors designations.
- We engaged with key United States agencies and Mexican government officials to encourage the two countries to consider closer alignment of critical supply chains and coordination of the economic recoveries in both countries.

## Results

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- We helped policy makers in the United States and Mexico understand the implications of the restrictions across the North American supply chain for critical and essential healthcare, medical, and aerospace and defense activities. We also helped clarify the impact this could have on the speed of economic recovery after the pandemic.
- We raised the issue of coordination of the economic recoveries with both governments and helped to secure deeper cooperation.
- We assisted clients in passing critical business information to key senior United States and Mexican federal officials and facilitated connections to increase coordination and communication between private sector and government stakeholders in both countries.
- Several clients were able to resume essential operations with appropriate health and safety procedures in facilities in Mexico.