

AMERICANS FOR FREE ★ TRADE

September 26, 2018

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Section 301 List 3 Tariffs Exclusion Process Request

Dear Mr. Ambassador:

On behalf of the Americans for Free Trade, we are writing to request that the Administration include an exclusion process for the recently announced 10 percent tariffs on close to \$200 billion worth of imports from China (List 3). We appreciate that USTR included such processes for the List 1 and List 2 tariffs. Many of the groups listed below previously wrote to you in August with recommendations for the previous exclusion processes. We strongly believe that the exclusion process should continue for this latest round of tariffs which encompass a wider swath of covered HTS lines. It is even more important since the tariffs will escalate to 25 percent on January 1, 2019.

As USTR and the 301 interagency committee heard during the six-day List 3 hearing from over 350 witnesses and in the over 6,000 submissions to the docket, businesses and industries across the board are concerned about the impact that the tariffs will have on their operations, workers, and customers. It can take months, if not years, for companies to successfully shift their supply chains to find new vendors who meet all of their requirements to produce safe, quality, and compliant products under socially responsible conditions. This assumes that such a vendor exists and can produce the required products or components at an equal capacity, quality, and similar price.

The latest round of tariffs also provides U.S. companies with very little time to properly plan to rework their supply chains as the tariffs took effect six days after the final list was announced. While we appreciate that USTR removed some items from the final list, there are many, many other products, especially at the 10-digit Harmonized Tariff System level that should be considered for an exclusion. In fact, USTR demonstrated this very need when it removed some products at the 10-digit level. In addition, where relief was partially granted under some HTS codes, there are cases where essentially the same product was not granted a similar exemption, creating a situation of more favorable treatment for some business within the same industry producing the same items.

Testimony and submissions to the List 3 docket repeatedly noted that the products included on List 3 have nothing to do with the original 301 investigation which focused on China's practices regarding forced technology transfer and unfair trade practices. While there is widespread agreement that these underlying concerns are issues that need to be addressed, tariffs do not address these important issues. In addition, because the criteria for inclusion or removal from the final list were not made public, companies in sectors unrelated to the 301 investigation had little advance warning that their specific products would be subject to tariffs.

Americans for Free Trade is a coalition representing U.S. manufacturers, farmers and agribusinesses, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters, and other supply chain stakeholders, who are united in their concern about the negative impacts that these tariffs are and will continue to have on U.S. businesses, workers and consumers.

We call upon USTR and the administration to reconsider the decision not to include an exclusion process for the List 3 China tariffs. If you have any questions, please contact Jonathan Gold (goldj@nrf.com). We thank you for your consideration.

Sincerely,

Accessories Council	Coalition of Services Industries (CSI)
Agriculture Transportation Coalition (AgTC)	Colorado Retail Council
American Apparel and Footwear Association	Columbia River Customs Brokers and Forwarders Assn.
American Association of Exporters and Importers (AAEI)	Computer & Communications Industry Association (CCIA)
American Association of Port Authorities	Computing Technology Industry Association (CompTIA)
American Chemistry Council	Consumer Technology Association
American Coatings Association, Inc. (ACA)	Council of Fashion Designers of America (CFDA)
American Home Furnishings Alliance	CropLife America
American Lighting Association	Customs Brokers & Freight Forwarders Assn. of Washington State
American Petroleum Institute	Customs Brokers & Freight Forwarders of Northern California
American Pyrotechnics Association	Electronic Transactions Association
American Rental Association	Fashion Accessories Shippers Association (FASA)
American Specialty Toy Retailing Association	Fashion Jewelry & Accessories Trade Association
Arkansas Grocers and Retail Merchants Association	Florida Ports Council
Association For Creative Industries	Florida Retail Federation
Association for PRINT Technologies	Footwear Distributors and Retailers of America (FDRA)
Association of Equipment Manufacturers (AEM)	Fragrance Creators Association
Association of Home Appliance Manufacturers	Gemini Shippers Association
Business & Institutional Furniture Manufacturers Association (BIFMA)	Georgia Retail Association
California Retailers Association	Global Cold Chain Alliance
Coalition of New England Companies for Trade (CONNECT)	Grocery Manufacturers Association

Halloween Industry Association
 Home Furnishings Association
 Household and Commercial Products Association
 Idaho Retailers Association
 Illinois Retail Merchants Association
 Independent Office Products & Furniture
 Dealers Association (IOPFDA)
 Indiana Retail Council
 Information Technology Industry Council (ITI)
 International Bottled Water Association
 (IBWA)
 International Housewares Association
 International Warehouse and Logistics
 Association
 International Wood Products Association
 Internet Association
 Juice Products Association (JPA)
 Juvenile Products Manufacturers Association
 Los Angeles Customs Brokers and Freight
 Forwarders Assn.
 Maine Grocers & Food Producers Association
 Maine Lobster Dealers' Association
 Methanol Institute
 Minnesota Retailers Association
 Missouri Retailers Association
 Motor & Equipment Manufacturers
 Association
 Motorcycle Industry Council
 National Association of Chain Drug Stores
 (NACDS)
 National Association of Chemical Distributors
 (NACD)
 National Association of Foreign-Trade Zones
 (NAFTZ)
 National Association of Music Merchants
 National Confectioners Association
 National Council of Chain Restaurants
 National Customs Brokers and Freight
 Forwarders Association of America
 National Fisheries Institute
 National Foreign Trade Council
 National Foreign Trade Council
 National Grocers Association
 National Lumber and Building Material
 Dealers Association
 National Marine Manufacturers Association
 National Restaurant Association
 National Retail Federation
 Natural Products Association
 New Jersey Retail Merchants Association
 Ohio Council of Retail Merchants
 Pacific Coast Council of Customs Brokers and
 Freight Forwarders Assns. Inc.
 Pennsylvania Retailers' Association
 PeopleforBikes
 Personal Care Products Council
 Pet Industry Joint Advisory Council
 Petroleum Equipment & Services Association
 Plumbing Manufacturers International
 Precious Metals Association of North America
 (PMANA)
 Promotional Products Association International
 Recreational Off-Highway Vehicle Association
 Retail Association of Maine
 Retail Industry Leaders Association
 RISE (Responsible Industry for a Sound Environment)
 San Diego Customs Brokers and Forwarders Assn.
 SEMI
 Society of Chemical Manufacturers & Affiliates
 Software & Information Industry Association (SIIA)
 South Dakota Retailers Association
 Specialty Equipment Market Association
 Specialty Vehicle Institute of America
 Sports & Fitness Industry Association
 Telecommunications Industry Association (TIA)
 Texas Retailers Association
 Texas Water Infrastructure Network (TXWIN)
 The Airforwarders Association
 The Fertilizer Institute
 The Hardwood Federation
 The Toy Association
 The Vinyl Institute
 Travel Goods Association
 Truck & Engine Manufacturers Association (EMA)
 United States Council for International Business
 United States Fashion Industry Association
 US-China Business Council
 Virginia-DC District Export Council (VA-DC DEC)
 Washington Retail Association
 Window and Door Manufacturers Association
 World Pet Association, Inc. (WPA)

