

August 31, 2017

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

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

RE: NAFTA Modernization – Proposed Seasonal Produce Trade Remedy Opposition

Dear Secretary Ross and Ambassador Lighthizer,

As associations representing the U.S. retail, restaurant and food distribution industries, and the millions of U.S. workers we employ, we are writing to strongly discourage changes to trade remedies in the NAFTA modernization negotiations that result in higher consumer prices for fresh fruits and vegetables. The Administration's proposed changes will not only negatively impact our businesses and employees, but most importantly they will hit American consumers in the pocketbook when they can least afford it.

The U.S. NAFTA modernization negotiating objective to **“seek a separate domestic industry provision for perishable seasonal products in antidumping and countervailing duty proceedings”** has dangerous implications for U.S. businesses and consumers. This change would make it easier for companies to file trade cases against produce including avocados, tomatoes, and other fruits and vegetables that U.S. consumers enjoy year-round because of NAFTA. In fact, these imports have significantly increased demand for fresh fruits and vegetables by providing a steady, year-round supply for American consumers. The proposed change would impact the ability of businesses and consumers to be able to purchase these goods throughout the year at competitive prices.

This trade remedy proposal would effectively result in government-endorsed minimum crop pricing, diluting the value of the free market and hurting consumer purchasing power. In addition, we fear that these new seasonal and perishable trade remedies could result in a proliferation of trade actions against U.S. exports into Mexico and Canada. U.S. growers of competitive produce exports such as apples, pears, peaches and nectarines could face severe harm from actions by less competitive regional producers in Mexico and Canada.

Currently, U.S. consumers enjoy the lowest food costs in the world, with just 6.4% of our income going toward food purchases. Because fresh produce sells on small margins, any tariff – even a seasonal one – would raise prices for American consumers in unforeseen ways. We believe that any change to U.S. trade law that results in higher prices for consumers is bad for America and bad for business.

In these tough economic times, a modernized NAFTA must protect the consumer's right to enjoy the fruits of the free market and not result in higher prices for consumers.

Thank you for your consideration

Sincerely,

American Association of Exporters and
Importers
Border Trade Alliance
Food Marketing Institute
National Council of Chain Restaurants

National Restaurant Association
National Retail Federation
Retail Industry Leaders Association
The Fresh Produce Association of the
Americas

cc: The Honorable Sonny Purdue, Secretary Department of Agriculture
The Honorable Gary Cohn, Director, National Economic Council
The Honorable H.R. McMaster, U.S. National Security Advisory
The Honorable Orrin Hatch, Chairman Senate Finance Committee
The Honorable Ron Wyden, Ranking Member Senate Finance Committee
The Honorable Kevin Brady, Chairman House Ways & Means Committee
The Honorable Richard Neal, Ranking Member House Ways & Means Committee
The Honorable Pat Roberts, Chairman Senate Agriculture, Nutrition & Forestry Committee
The Honorable Debbie Stabenow, Ranking Member Senate Agriculture, Nutrition &
Forestry Committee
The Honorable Mike Conaway, Chairman House Agriculture Committee
The Honorable Collin Peterson, Ranking Member House Agriculture Committee

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American Association of Exporters and Importers

AAEI has been a national voice for the international trade community in the United States since 1921. AAEI represents the entire spectrum of the international trade community across all industry sectors. Our members include manufacturers, importers, exporters, wholesalers, retailers and service providers to the industry, which is comprised of customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests and ports. Many of these enterprises are small businesses seeking to export to foreign markets. AAEI promotes fair and open trade policy. We advocate for companies engaged in international trade, supply chain security, export controls, non-tariff barriers, import safety and customs and border protection issues. AAEI is the premier trade organization representing those immediately engaged in and

directly impacted by developments pertaining to international trade. We are recognized as the technical experts regarding the day-to-day facilitation of trade, including the administration of and compliance with customs and export laws of the United States, including Free Trade Agreements.

Border Trade Alliance

Founded in 1986, the Border Trade Alliance (BTA) is a grassroots, non-profit organization that serves as a forum for participants to address key issues affecting trade, travel and security in North America. Working with entities in Canada, Mexico and the United States, the BTA advocates on behalf of policies and initiatives designed to improve border affairs and trade relations among the three nations. BTA is North America's premier authority on issues affecting the U.S. northern and southern borders, representing a large grassroots network of over 4.2 million public and private sector representatives, including business leaders, chambers of commerce and industry, academic institutions, economic development corporations, industrial parks, transport companies, customs brokers, defense companies, manufacturers and state and local government agencies.

Food Marketing Institute

The Food Marketing Institute (FMI) proudly advocates on behalf of the food wholesale and retail industry. FMI's U.S. members operate nearly 40,000 retail food stores and 25,000 pharmacies, representing a combined annual sales volume of almost \$770 billion. Through programs in public affairs, food safety, research, education and industry relations, FMI offers resources and provides valuable benefits to more than 1,225 food retail and wholesale member companies in the United States and around the world. FMI membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large multi-store supermarket chains and mixed retail stores.

National Council of Chain Restaurants

The National Council of Chain Restaurants, a division of the National Retail Federation, is the leading organization exclusively representing chain restaurant companies. For more than 40 years, NCCR has worked to advance sound public policy that serves restaurant businesses and the millions of people they employ. NCCR members include the country's most respected quick-service and table-service chain restaurants.

National Restaurant Association

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises 1 million restaurant and foodservice outlets and a workforce of more than 14.7 million employees. We represent the industry in Washington, D.C., and advocate on its behalf. We operate the industry's largest trade show ([NRA Show](#) May 19-22, 2018, in Chicago); leading food safety training and certification program ([ServSafe](#)); unique career-building high school program (the NRAEF's [ProStart](#)).

National Retail Federation

NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy.

Retail Industry Leaders Association

The Retail Industry Leaders Association (RILA) is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

The Fresh Produce Association of the Americas

The Fresh Produce Association of the Americas (FPAA) is a nonprofit trade association headquartered in Nogales, Arizona, that represents over 120 U.S. member companies involved in packing, sales and transportation of fresh fruits and vegetables grown in Mexico.