

September 18, 2017

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Ambassador Robert Lighthizer
United State Trade Representative
600 17th Street, NW
Washington, D.C. 20508

The Honorable Sonny Perdue
Secretary of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

The Honorable Gary Cohn
Director, National Economic Council
1600 Pennsylvania Avenue, NW
Washington DC, 20500

Dear Ambassador Lighthizer, Secretary Ross, Secretary Perdue and Mr Cohn,

As Texas agriculture associations, growers, and producers of agricultural commodities exported to Mexico and Canada and importers of specialty crops from Mexico and Canada, we strongly support NAFTA and the work you are doing now to improve NAFTA through NAFTA Modernization. We in Texas support progress on important goals to improve the speed and efficiency of border crossings and harmonization of regulations to reduce proliferation of different standards and regulations. We also support working together as a region to provide a balance against other regional trading blocks such as those developing in Asia.

In our experience, the benefits of trade are when there is a fair and profitable two way street for trade, and we know from experience that when it comes to agriculture commodities and specialty crop trade in Texas, the two way street of NAFTA is working. We, therefore, applaud the administration's goal to maintain duty free access for agricultural goods within the NAFTA countries, and believe this must be the guiding principal of the NAFTA negotiations.

We are concerned, at this time, with a specific provision being considered by USTR that we believe would undermine the NAFTA balance we enjoy in Texas. If the administration moves forward with its proposal to change the rules on perishable and seasonable commodities with regard to anti-dumping and countervailing duties, we foresee a response from our NAFTA trading partners that would damage our Texas commodity exports to these markets.

We do not believe that the billions of dollars of produce and the jobs created in the SW border region from specialty crops imports should be the target of new antidumping tariffs based on an arbitrary new provision not based on sound economics and with uncertain economic consequences. We do not think that \$174 billion in Texas- Mexico trade and the 382,000 jobs this trade supports should be jeopardized in this arbitrary manner.

We are also concerned that the impact of this provision will move beyond produce to impact Texas exports of agriculture products. Over the past several years, Mexican producers have petitioned their government to impose anti-dumping duties on a wide variety of US exports, including pork, beef, apples, corn syrup, rice and poultry. The Mexican government has often prevented these petitions from moving forward. If, however, the United States were to begin imposing duties on Mexico's top agricultural exports to the United States, it is only logical to assume that it would be more difficult for Mexico to

show restraint. At a time of low commodity prices in Texas, Texas agriculture can hardly afford to see a primary market disrupted.

Texas produce importers provide fresh and nutritious food to consumers throughout the year. The consumer benefits from greater access to nutritious foods and U.S. growers benefit from increased demand for their products. We know from experience that being able to provide a consistent, high-quality supply of produce throughout the year creates more consistent demand for these items, boosting sales of domestically produced fruits and vegetables, as well as imports.

We stand ready to assist the Administration in modernizing NAFTA, but cannot support provisions that would ignite trade disputes and inhibit trade. We urge you not to go forward with this provision.

Thank you for your consideration of this matter.

Sincerely,

The Texas Fresh Produce Coalition For NAFTA

Agri Cooling Logistics, Edinburg, TX
Amex Distributing Company, Donna, TX
Apache Produce Imports, McAllen, TX
Babia, San Antonio, TX
Chris Ciruli, Ciruli Brothers, Donna, TX
Divine Flavor, McAllen, TX
Don Hugo Produce, Edinburg, TX
Empacadora G.A.B. Inc, McAllen, TX
GR Fresh, McAllen TX
Greenhouse Produce Company, Pharr, TX
Grow Farms Texas, Donna, TX
JC Distributing, Inc., Pharr, TX
Kingdom Fresh Farms, Donna, TX
Marengo Foods Company, Dallas, TX and San Juan, TX
Tricar Sales, Edinburg, TX
SunFed, Pharr, TX
Sunrise Produce LLC, McAllen TX
Super Starr Produce Inc, Pharr, TX
Texas International Produce Association, Mission TX
Triple H Produce, Pharr, TX

Cc: Chairman Orrin Hatch
Ranking Member Ron Wyden
Chairman Kevin Brady
Ranking Member Neal
Chairman Pat Roberts
Ranking Member Debbie Stabenow
Chairman Mike Conaway
Ranking Member Collin Peterson