



Submitted via www.regulations.gov.

September 20, 2019

The Honorable Robert E. Lighthizer
United States Trade Representative
600 Seventeenth Street, N.W.
Washington, D.C. 20508

Re: Request for Comments Concerning Proposed Modification of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket Number USTR-2019-0015)

Dear Ambassador Lighthizer,

On behalf of the Americans for Free Trade coalition, we are writing to strongly oppose the proposed increase of the China 301 tariffs on Tranches 1-3 from 25 percent to 30 percent. We agree that China and other trading partners must be held accountable for trade violations. However, the use of broadly applied tariffs has not resulted in change in policy and is continuing to harm U.S. businesses, workers and consumers.

Our coalition represents every part of the U.S. economy, including manufacturers, farmers and agribusinesses, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters and other supply chain stakeholders. Collectively, we support tens of millions of American jobs through our vast supply chains.

According to data released by our coalition, American businesses paid an additional \$6.8 billion in tariffs in July 2019 alone, the most recent month data is available from the U.S. Census Bureau. This represents a \$6.8 billion tax increase to U.S. companies. The data also shows that U.S. exports have continued a downward spiral because of China's retaliatory tariffs.

We continue to hear and see story after story about the negative impacts of the tariffs on businesses large and small. Because of increased costs and ongoing uncertainty surrounding the U.S.- China trade relationship, many companies are being forced to hold back on planned investments, refrain from hiring new employees or pass along price increases to their customers. While the economy remains strong, there continue to be clouds on the horizon that could result in further weakening.

USTR asks specifically whether or not the additional duties would be "practicable or effective" to obtain the elimination of China's acts, policies and practices, and whether increasing the tariff rate would cause disproportionate economic harm to U.S. interests, including small- or medium-sized businesses and consumers. To date, the tariffs have not been a practicable or effective tool in obtaining changes to China's acts. We do not believe an increase

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of 5 percent, or any other increase that may be planned, will be effective. However, we do believe the planned tariff increase, or any other, will cause economic harm to U.S. interests. This is especially true of small- and medium-sized businesses that bear the brunt of the tariff increases. These companies especially have less flexibility to mitigate the impact of the tariffs by shifting sourcing, absorbing the tariff or passing the tax increase on to their customers.

We call upon the administration to forgo the tariff increase on Tranches 1-3 and use the upcoming October negotiating session as an opportunity to achieve a path forward on a final deal with China that will address the ongoing trade issues and remove the tariffs.

Sincerely,

Accessories Council
Agriculture Transportation Coalition (AgTC)
ALMA, International (Association of
Loudspeaker Manufacturing and Acoustics)
American Apparel & Footwear Association
(AAFA)
American Association of Exporters and Importers
(AAEI)
American Association of Port Authorities
American Bakers Association
American Bridal & Prom Industry Association
(ABPIA)
American Chemistry Council
American Down and Feather Council
American Fly Fishing Trade Association
American Home Furnishings Alliance
American Lighting Association
American Petroleum Institute
American Pyrotechnics Association
American Rental Association
American Specialty Toy Retailing Association
American Wind Energy Association
Arizona Technology Council
Arkansas Grocers and Retail Merchants
Association
Association For Creative Industries
Association for PRINT Technologies
Association of Equipment Manufacturers (AEM)
Association of Home Appliance Manufacturers
Auto Care Association
Beer Institute
BSA | The Software Alliance
California Retailers Association
Carolina Loggers Association

Chemical Industry Council of Delaware (CICD)
Coalition of New England Companies for Trade (CONNECT)
Coalition of Services Industries (CSI)
Colorado Retail Council
Columbia River Customs Brokers and Forwarders Assn.
Computer & Communications Industry Association (CCIA)
Computing Technology Industry Association (CompTIA)
Consumer Technology Association
Council of Fashion Designers of America (CFDA)
CropLife America
Customs Brokers & Freight Forwarders Assn. of
Washington State
Customs Brokers & Freight Forwarders of Northern
California
Distilled Spirits Council of the United States
Electronic Transactions Association
Fashion Accessories Shippers Association (FASA)
Fashion Jewelry & Accessories Trade Association
Flexible Packaging Association
Florida Ports Council
Florida Retail Federation
Footwear Distributors and Retailers of America (FDRA)
Fragrance Creators Association
Game Manufacturers Association
Gemini Shippers Association
Georgia Retailers
Global Chamber®
Global Cold Chain Alliance
Greeting Card Association
Grocery Manufacturers Association
Halloween Industry Association
Hobby Manufacturers Association
Home Fashion Products Association
Home Furnishings Association

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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 Foodservice Distributors Association
International Housewares Association
International Precious Metals Institute
International Warehouse and Logistics Association
International Wood Products Association
Internet Association
ISSA - The Worldwide Cleaning Industry Association
Juice Products Association (JPA)
Juvenile Products Manufacturers Association
Licensing Industry Merchandisers' Association
Los Angeles Customs Brokers and Freight Forwarders Assn.
Louisiana Retailers Association
Maine Grocers & Food Producers Association
Maine Lobster Dealers' Association
Maritime Exchange for the Delaware River and Bay
Maryland Retailers Association
Methanol Institute
Michigan Chemistry Council
Minnesota Retailers Association
Missouri Retailers Association
Motor & Equipment Manufacturers Association
Motorcycle Industry Council
NAPIM (National Association of Printing Ink Manufacturers)
National Association of Chain Drug Stores (NACDS)
National Association of Chemical Distributors (NACD)
National Association of Foreign-Trade Zones (NAFTZ)
National Association of Home Builders
National Association of Music Merchants
National Association of Printing Ink Manufacturers
National Association of Trailer Manufacturers (NATM)
National Confectioners Association
National Council of Chain Restaurants
National Customs Brokers and Freight Forwarders Association of America
National Electrical Manufacturers Association (NEMA)
National Fisheries Institute
National Foreign Trade Council
National Grocers Association
National Lumber and Building Material Dealers Association
National Marine Manufacturers Association
National Restaurant Association
National Retail Federation
National Ski & Snowboard Retailers Association
National Sporting Goods Association
Natural Products Association
New Jersey Retail Merchants Association
North American Association of Uniform Manufacturers and Distributors (NAUMD)
North Carolina Retail Merchants Association
Ohio Council of Retail Merchants
Outdoor Industry Association
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
Power Tool Institute (PTI)
Promotional Products Association International
Recreational Off-Highway Vehicle Association
Retail Association of Maine
Retail Council of New York State
Retail Industry Leaders Association
Retailers Association of Massachusetts
RISE (Responsible Industry for a Sound Environment)
RV Industry Association
San Diego Customs Brokers and Forwarders Assn.
SEMI
Snowsports Industries America
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

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TechNet
Telecommunications Industry Association (TIA)
Texas Retailers Association
Texas Water Infrastructure Network
The Airforwarders Association
The Fertilizer Institute
The Hardwood Federation
The Toy Association
The Vinyl Institute
Travel Goods Association
Truck & Engine Manufacturers Association (EMA)

U.S. Hide, Skin and Leather Association
United States Council for International Business
United States Fashion Industry Association
US Global Value Chain Coalition
US-China Business Council
Virginia Retail Merchants Association
Virginia-DC District Export Council (VA-DC DEC)
Washington Retail Association
Window and Door Manufacturers Association
World Pet Association, Inc. (WPA)