

AMERICANS FOR FREE ★ TRADE

December 11, 2019

The Honorable Donald J. Trump
President of the United States of America
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20001

Dear Mr. President:

On behalf of Americans for Free Trade, we urge you to reach a Phase One deal with China and take the necessary steps to resolve the ongoing trade dispute. We certainly hope that this will lead to further negotiations, which ultimately lead to a final deal that not only addresses our key concerns with the U.S.-China trade relationship, but also eliminates the current tariffs imposed on *both* goods sourced from China and our goods exported to the critically important China market

As these negotiations continue, we strongly encourage the Administration to suspend implementation of the Tranche 4B tariffs set to take effect on December 15th if a Phase One deal is not finalized before then. We think it is incredibly important for the ongoing negotiations to be allowed to continue without the specter of new tariffs taking effect before a deal is signed. As you noted when the Tranche 4B tariffs were announced, you delayed implementation of those tariffs specifically to avoid harming American consumers over the holidays. This delay should be extended until a deal is reached.

Further, we strongly support using the Phase One deal to include reciprocal elimination of existing tariffs, as has been reported in the press. Such an action would send an important economic signal while providing immediate relief to job creators throughout the U.S.

Our coalition represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, forest products, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters, and other supply chain stakeholders, among them small and family-owned businesses from across the nation. Collectively, we support tens of millions of American jobs through our supply chains. We are united in our concern about the negative impacts that indiscriminate tariffs will continue to have on U.S. businesses, workers and consumers.

As our coalition has made clear since the trade war began, tariffs are taxes that American businesses and consumers pay. To date, Americans have paid over \$42 billion in taxes due to the imposition of tariffs. These taxes and the uncertainty have created – and continue to create – layoffs, deferred investments, and price increases in every corner of the country. Indeed, according to research by Trade Partnership Worldwide LLC, the Section 301 tariffs on goods on

Lists 1-3, along with the ongoing Section 232 tariffs on steel and aluminum and retaliation, have cost the average American family of four nearly \$800 this year and have shaved 0.4 percent off of otherwise robust GDP. Additional tariffs on products on List 4a (not included in this estimate), amplify the negative impacts; if additional tariffs on all of the products on List 4 are applied, the negative impacts to American families will grow to over \$2,300, and the hit to U.S. GDP will be a negative 1 percent.

We have previously provided our thoughts on key issues that need to be included in a final deal. A final agreement resolving this dispute must: 1) address China's unfair trading practices; 2) fully and immediately eliminate all remaining Section 301 tariffs and retaliation that are not already eliminated in the Phase One deal once a final deal is signed; 3) avoid establishing any new enforcement mechanism that would trigger future tariffs and result in long-term economic uncertainty; 4) provide clarity on how the Section 301 exclusion process will be impacted by a U.S.-China final agreement; and 5) trigger a full economic assessment, by the Administration, of the costs of tariffs for American businesses, workers, and consumers.

We want the U.S. to reach a trade deal with China that achieves meaningful change in our trading relationship with China and provides business certainty for the future. We continue to believe that tariffs are the wrong approach, and we believe these tariffs are causing escalating economic harm to American businesses, workers, farmers and families across the country. We urge you to delay the Tranche 4B tariffs to allow for a final Phase One deal to be achieved.

Sincerely,

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

Columbia River Customs Brokers and Forwarders Assn.	International Foodservice Distributors Association
Computer & Communications Industry Association (CCIA)	International Housewares Association
Computing Technology Industry Association (CompTIA)	International Warehouse and Logistics Association
Consumer Technology Association	International Wood Products Association
Council of Fashion Designers of America (CFDA)	Internet Association
CropLife America	ISSA - The Worldwide Cleaning Industry Association
Customs Brokers & Freight Forwarders Assn. of Washington State	Juice Products Association (JPA)
Customs Brokers & Freight Forwarders of Northern California	Juvenile Products Manufacturers Association
Distilled Spirits Council of the United States	Licensing Industry Merchandisers' Association
Electronic Transactions Association	Los Angeles Customs Brokers and Freight Forwarders Assn.
Fashion Accessories Shippers Association (FASA)	Louisiana Retailers Association
Fashion Jewelry & Accessories Trade Association	Maine Grocers & Food Producers Association
Flexible Packaging Association	Maine Lobster Dealers' Association
Florida Ports Council	Maritime Exchange for the Delaware River and Bay
Florida Retail Federation	Maryland Retailers Association
Footwear Distributors and Retailers of America (FDRA)	Methanol Institute
Fragrance Creators Association	Michigan Chemistry Council
Game Manufacturers Association	Michigan Retailers Association
Gemini Shippers Association	Minnesota Retailers Association
Georgia Retailers	Missouri Retailers Association
Global Chamber®	Motor & Equipment Manufacturers Association
Global Cold Chain Alliance	Motorcycle Industry Council
Greeting Card Association	NAPIM (National Association of Printing Ink Manufacturers)
Grocery Manufacturers Association	National Association of Chain Drug Stores (NACDS)
Halloween Industry Association	National Association of Chemical Distributors (NACD)
Hobby Manufacturers Association	National Association of Foreign-Trade Zones (NAFTZ)
Home Fashion Products Association	National Association of Home Builders
Home Furnishings Association	National Association of Music Merchants
Household and Commercial Products Association	National Association of Printing Ink Manufacturers
Idaho Retailers Association	National Association of Trailer Manufacturers (NATM)
Illinois Retail Merchants Association	National Confectioners Association
Independent Office Products & Furniture Dealers Association (IOPFDA)	National Council of Chain Restaurants
Indiana Retail Council	National Electrical Manufacturers Association (NEMA)
Information Technology Industry Council (ITI)	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	Snowsports Industries America
New Jersey Retail Merchants Association	Society of Chemical Manufacturers & Affiliates
North American Association of Uniform Manufacturers and Distributors (NAUMD)	Software & Information Industry Association (SIIA)
North Carolina Retail Merchants Association	South Dakota Retailers Association
Ohio Council of Retail Merchants	Specialty Equipment Market Association
Outdoor Industry Association	Specialty Vehicle Institute of America
Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc.	Sports & Fitness Industry Association
Pennsylvania Retailers' Association	TechNet
PeopleforBikes	Telecommunications Industry Association (TIA)
Personal Care Products Council	Texas Retailers Association
Pet Industry Joint Advisory Council	Texas Water Infrastructure Network
Petroleum Equipment & Services Association	The Airforwarders Association
Plumbing Manufacturers International	The Fertilizer Institute
Power Tool Institute (PTI)	The Hardwood Federation
Promotional Products Association International	The Toy Association
Recreational Off-Highway Vehicle Association	The Vinyl Institute
Retail Association of Maine	Travel Goods Association
Retail Council of New York State	Truck & Engine Manufacturers Association (EMA)
Retail Industry Leaders Association	U.S. Hide, Skin and Leather Association
Retailers Association of Massachusetts	United States Council for International Business
RISE (Responsible Industry for a Sound Environment)	United States Fashion Industry Association
RV Industry Association	US Global Value Chain Coalition
San Diego Customs Brokers and Forwarders Assn.	US-China Business Council
SEMI	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)

CC: Ambassador Robert Lighthizer, United States Trade Representative
 Secretary Steven Mnuchin, Department of the Treasury
 Secretary Wilbur Ross, Department of Commerce
 Secretary Sonny Perdue, Department of Agriculture
 Acting Administrator Chris Pilkerton, Small Business Administration
 Director Larry Kudlow, National Economic Council