



RETAIL INDUSTRY LEADERS ASSOCIATION

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August 3, 2020

Via Online Submission

The Honorable Robert Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street Northwest
Washington, DC 20508

Re: Hearings Regarding Trade Distorting Policies That May Be Affecting Seasonal and Perishable Products in U.S. Commerce (Docket Number USTR-2020-0010)

Dear Ambassador Lighthizer,

The Retail Industry Leaders Association (RILA) appreciates the opportunity to submit comments concerning the hearings regarding trade distorting policies that may be affecting seasonal and perishable products in U.S. commerce.

RILA is the trade association of the world's largest, most innovative, and recognizable retail companies and brands. We convene decision-makers, advocate for the industry, and promote operational excellence and innovation. Our aim is to elevate a dynamic industry by transforming the environment in which retailers operate. 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. RILA's membership includes some of the largest importers in the United States.

RILA appreciates the need to protect U.S. industries from dumping and other unfair trade practices. However, imposing trade remedies such as tariffs on seasonal produce from Mexico and Canada will upend America's supply chains and ultimately result in increased costs and limited availability of the nutritious produce that is a staple in the American diet. As USTR examines the fairness of current trading practices, we urge USTR to consider the negative impact tariffs and other measures could have on the U.S. economy, American consumers, and our strong North American trading partnerships.



Affordability & Accessibility

Our members aim to domestically source produce to reduce the cost of logistics and promote sustainability. They also continuously conduct extensive market research to identify local sources that supply produce in sufficient quantities at competitive price points. However, to ensure produce is competitively priced, and Americans have access to a variety of produce year-round, produce is also sourced from Mexico and Canada. A diversified supply chain prevents Americans from literally paying the price for regional disruptions such as hurricanes, droughts and floods that would make produce scarce and expensive if it were only sourced from one region. As many Americans have experienced financial hardship resulting from the COVID-19 pandemic, a diversified supply chain allows our members to ensure Americans have nutritious, high-quality produce at reasonable prices.

Impact on USMCA

Further, the United States, Canada, and Mexico just completed entry into force of the historic U.S.-Canada-Mexico Agreement (USMCA) – which will strengthen our trading relationships with our neighbors while boosting American jobs and the U.S. economy. While we support holding Canada and Mexico to the strong standards set in the USMCA, we also caution against imposing trade remedies that could violate U.S. commitments in the agreement and undermine the USMCA's spirit of cooperation.

As a result of USMCA and its predecessor NAFTA, our members have long-lasting and successful relationships with North American suppliers that would be sent into flux if the proposed tariffs are implemented. The trust our members have developed within this region cannot be easily and quickly replicated in other parts of the globe.

Further, Mexico has already vowed to initiate a dispute settlement proceeding under the USMCA or at the World Trade Organization if the U.S. imposes trade restrictions on seasonal and perishable products. Retaliatory measures from Mexico would be catastrophic for the U.S. produce supply chains and the American businesses and consumers that rely on them for affordable, quality produce year-round. Instead, we urge USTR to consider more collaborative measures to address any distortions or unfair practices in the market – including capacity building and better access to technology and financing mechanisms that can improve efficiency, quality, and growth.

Conclusion

Our members are committed to providing affordable, quality produce to American families year-round. We therefore urge USTR to work with all interested stakeholders to ensure any proposal for perishable seasonal products does not negatively impact the



affordability and accessibility of produce for American consumers. We thank the USTR for giving us the opportunity to provide insight on behalf of our membership.

Sincerely,

A handwritten signature in cursive script that reads "Blake Harden".

Blake Harden
Vice President, International Trade
Retail Industry Leaders Association

