



RETAIL INDUSTRY LEADERS ASSOCIATION

99 M Street, SE
Suite 700
Washington, DC 20003

www.rila.org

May 27, 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: Section 301 - China \$200 Billion Trade Action (List 3) Comments Concerning the Extension of Particular Exclusions Granted Under the August 2019 through March 2020 Product Exclusion Notices

Dear Ambassador Lighthizer,

The Retail Industry Leaders Association (RILA) appreciates the opportunity to submit comments concerning the extension of particular exclusions granted under the August 2019 through March 2020 product exclusion notices. We write in support of granting exclusion extensions for the eligible products on List 3 of the Section 301 tariffs.

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 supports the Administration's efforts to hold our trading partners accountable and using targeted trade remedies against intellectual property theft, illegal dumping or subsidies, and other proven trade violations consistent with international rules. However, we remain opposed to the use of tariffs, more specifically tariffs on consumer products, as a method to gain leverage over another country.

In granting these exclusions originally, the Administration has already deemed that these products cannot be sufficiently sourced outside of China and that domestic markets are



not able to produce the necessary quantities to meet U.S. consumer demand. The availability to source these or comparable products from sources within the United States and/or in third countries has not changed since these exclusions were first granted. However, since that time, global supply chains have been upended by the COVID-19 outbreak, creating uncertainty and cost increases for companies trying to source essential products around the world. Allowing these exclusions to expire and imposing additional tariffs at this time would create immense supply chain uncertainty. But retailers need supply chain simplicity now more than ever to allow them to continue to provide Americans with access to the items they depend on for their health and comfort, as well as the items that will help Americans transition into dramatically different daily lives as the U.S. economy begins to reopen.

As Americans are forced to combat this unprecedented public health crisis, they need access to products that will protect them and their loved ones from COVID-19. The primary tool for Americans to self-diagnose and determine if they are infected, thermometers, are eligible for Section 301 exclusion extensions. As it is widely reported that a fever is a symptom of COVID-19, Americans need access to thermometers to determine whether they are ill and should seek medical treatment. Companies also need efficient access to thermometers to ensure their employees are healthy as they begin reopening businesses. Additional medical products such as pulse oximeters allow Americans to monitor their oxygen levels at home, preventing an unnecessary trip to the hospital that could result in either an unintentional spread or contraction of the virus.

Also, almost overnight, the daily lives of Americans have been completely upended. The majority of Americans now find themselves working from home for the foreseeable future. The products Americans need to convert their homes into offices, such as wireless chargers, mobile devices, and extension cords, are all eligible for exclusion extensions. As families seek entertainment and local vacations for their children this summer, the price on essential camping gear such as tents, torches and cots could go up if exclusions are not extended. And as families are being forced to cook from home, staples in the American kitchen such as flatware, electric stoves and cooking thermometers are also subject to a potential price increase if these exclusions are allowed to expire.

Tariffs are a tax on goods, and they make vital products more expensive for American businesses and consumers at a time when a record number of Americans have lost their source of income. Tariffs also force cash-strapped companies to pay the federal government billions of dollars that could instead be going towards preserving jobs, paying suppliers and fixed costs. They also prevent investments in critical health and



safety equipment for their workers and customers to help the U.S. economy to reopen responsibly.

According to the U.S. Bureau of Labor Statistics, 2.1 million jobs were lost in retail for the month of April and consumer spending dropped a record 16.4 percent during that same time as companies were forced to retrench in response to the pandemic. An extension of the exclusions is a quick and efficient way to provide certainty for the retail industry, help the American economy as it begins to reopen and ensure Americans have access to the goods they need during these unprecedented times.

In conclusion, we strongly urge the Administration to extend the exclusions on the attached list of products. We thank the USTR for giving us the opportunity to provide insight on behalf of our membership.

Sincerely,



Blake Harden
Vice President, International Trade
Retail Industry Leaders Association

