



PACIFIC
NORTHWEST
INTERNATIONAL
TRADE
ASSOCIATION



Monday, May 4, 2020

The Honorable Donald J. Trump
President of the United States of America
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Trump:

We are writing to share our concerns about the damage done to the U.S. trade economy, and to ask for your support in helping provide relief for the millions of Americans who rely on trade -- including workers, farmers, ranchers, and consumers.

As our economy slows significantly, it is critical that we expand international trade and investment opportunities, promote market access for domestic products abroad, and eliminate disincentives that impede the global competitiveness of U.S. businesses and farmers.

America's ability to grow and make quality products for global export has long been a critical pillar of our robust economy. California, Oregon and Washington are highly trade-reliant, with a tri-state average of almost 30% of total jobs tied to international commerce. **That is roughly 7.5 million workers.** From apples, soft-white wheat, and walnuts, to planes, athletic footwear, and software, the West Coast region is a trade powerhouse. Oregon and Washington are among only 12 net exporter states in the nation, and California, as one of the largest economies in the world, is the nation's second-biggest exporter by value.

Supporting global trade is about helping main street businesses. Most exporting firms in our states, a tri-state average of 92%, are small and medium-sized businesses. The jobs created in these trade-reliant sectors pay higher wages than their non-trade related counterparts and create additional jobs in non-traded sector industries such as restaurants, retail, hospitality and others.

To fuel our economic recovery and support our small businesses, we ask the Administration to **eliminate 301 and 232 tariffs planned and currently in place.** Domestic farmers and manufacturers were already feeling pinched by the trade conflict with China, which made inputs for our products more expensive, and our exports less competitive abroad. Asking American small businesses and consumers to continue to pay these tariffs, in a time when many are struggling financially, undermines efforts towards our economic resiliency. The Congressional Budget Office found that current tariffs will cost the average household \$1,277 in 2020. These additional costs essentially offset the benefit of the stimulus checks recently distributed to individuals. Tariff relief, even temporarily, would allow firms to be more competitive in exporting their products, help them rehire workers and reinvest in their businesses.

To be clear, we wholeheartedly support efforts to ensure China and other partners adhere to fair and transparent trade practices and are held accountable when they violate international rules. Our call for an easing of tariffs should not be seen otherwise. Instead, this is an opportunity to lift our own domestic industries in a time when it is needed most.

Secondly, we have concerns regarding the Buy America Executive Order under consideration. **While this pandemic has highlighted the importance of encouraging the reshoring of certain medical and**

pharmaceutical supply chains for national security purposes, now is not the time to make this shift. We ask for a pause on efforts to enact this order so our firms can continue to source from their existing supply chains without disruption and meet the immediate domestic demand for these products. These sophisticated global supply chains are difficult to shift in short order and attempting to do so now would only exacerbate medical supply shortages here at home. Furthermore, we ask that any related Executive Order provide enough time and incentives for firms to carefully implement necessary changes, ensuring we do not damage the domestic industries we are attempting to cultivate.

Lastly, we ask the Administration and Congress to continue to advance bilateral, regional and multilateral trade agreements which are critical to consumers, workers, businesses, farmers and ranchers. Trade agreements ensure the U.S. continues to gain access to world markets, which will result in an improved economy and additional American jobs.

1. **Complete the implementation of the U.S.-Mexico-Canada Agreement (USMCA) by July 1, with necessary flexibility for certain industries, such as in auto manufacturing regulations.** Mexico and Canada are the U.S.'s top two trading partners (2019), supporting 12 million jobs in the U.S., with 1.9 million of those in California, Oregon, and Washington. Ensuring this agreement is implemented will give firms the certainty needed to continue to expand trade with these markets.
2. **Ensure fulfillment of commitments under the “phase one” agreement with China and drive efforts towards a more robust and binding “phase two” agreement that establishes transparent rules for commerce between our two countries.** China is a particularly important market for West Coast states, with our tri-state region exporting \$36.5 billion goods and services to the market in 2018. That said, we strongly support ensuring an agreement includes robust provisions for the protection of the U.S. intellectual property, and clear consequences for cyber theft and anti-competitive industrial policies by China.
3. **Reinvigorate efforts to establish free trade agreements with partners that share our trade philosophy including, the European Union, the United Kingdom, and Japan.** These markets offer new access opportunities for American products and creating these alliances would ensure the U.S. can maintain its position as the second largest exporter in the world.

Now more than ever, we need to make it easier, not harder, for American firms to export abroad. Removing tariff barriers, postponing implementation of a Buy America Executive Order, and establishing comprehensive trade agreements with trading partners are three important ways our federal leaders can help our economy rebound from this crisis and get Americans back to work. Thank you for your consideration.

Sincerely,

Susanne T. Stirling
Vice President, International Affairs
California Chamber of Commerce

Maria Isabel Ellis
Executive Director
Pacific Northwest International
Trade Association

Lori Otto Punke
President
Washington Council on
International Trade

Cc:

The Honorable Robert E. Lighthizer
U.S. Trade Representative
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Cc:

Members of the Senate Subcommittee on International Trade, Customs, and Global Competitiveness
Members of the House Subcommittee on Trade
Members of the California Congressional Delegation
Members of the Oregon Congressional Delegation
Members of the Washington Congressional Delegation