

United States Senate

WASHINGTON, DC 20510

September 13, 2019

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

Dear Ambassador Lighthizer:

We write on behalf of our constituents regarding the inclusion of several food items on the list of products being considered for additional import duties in relation to the World Trade Organization Large Civil Aircraft dispute (USTR-2019-0003-0001 and USTR-2019-0003-0616). In particular, we are concerned about the impact such tariffs would have on New Jersey-based food importing companies. These companies employ thousands of New Jerseyans and many of them have been operating as family businesses for decades.

The proposed Section 301 tariffs on items such as cheese, pasta, olive oil, and other foods will severely harm the vibrant food importing and processing industry in New Jersey. According to industry estimates, over 60% of all imported cheeses enter through New Jersey ports. Approximately 20,000 jobs in manufacturing, distribution, sales, marketing, and food safety will be in jeopardy should USTR impose these tariffs, as the companies will be forced to import less of the tariffed products. Moreover, if the proposed food items are subject to Section 301 tariffs, these costs are expected to be passed onto the consumer in the form of increased prices – essentially resulting in a food tax that U.S. consumers will have to pay.

Furthermore, these proposed Section 301 tariffs will also have unintended impacts on food safety and the programs importers have established to ensure foods for U.S. consumers are safe. Many of these companies have spent a significant amount of time, money, and effort educating and vetting its European suppliers for compliance with the Food Safety Modernization Act. Shifting sourcing to other entities due to these tariffs will require them to recreate components of their supply chain, including re-vetting and reeducating new suppliers. In many cases, the food importers will not be able to recreate their supply chains due to the unique flavors and characteristics associated with the European foods they import.

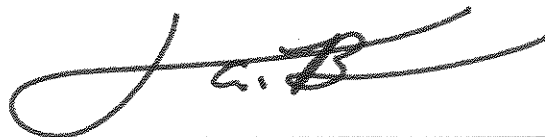
Lastly, we are especially concerned about how these tariffs will impact the U.S. Department of Agriculture's Dairy Import License program, which allows the import of dairy products into the U.S. under a tariff-rate quota system. Due to regulatory restrictions, license holders must import a specific amount of their designated quota on an annual basis to maintain their quota allocation. Losing this quota will cause significant economic harm to these companies because lost quota is practically impossible to recoup, especially as the companies have made strategic business decisions to obtain these quota amounts.

While we respect the need for a response to unfair subsidies provided to Airbus, we urge USTR not to impose duties on the food sector. We urge you to carefully consider the public comments submitted by potentially impacted parties and remove food items from the list of retaliatory tariffs. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, reading "Robert Menendez". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert Menendez
United States Senator

A handwritten signature in black ink, reading "Cory A. Booker". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cory A. Booker
United States Senator