



RETAIL INDUSTRY LEADERS ASSOCIATION

99 M Street, SE
Suite 700
Washington, DC 20003

www.rila.org

March 31, 2020

Via Online Submission

The Honorable Robert Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20006

Re: Request for Comments on Additional Modifications to the 301 Action to Address COVID-19: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2020-0014)

Dear Ambassador Lighthizer,

The Retail Industry Leaders Association (RILA) appreciates the opportunity to comment on the request for feedback on Additional Modifications to the 301 Action to Address COVID-19: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2020-0014) issued by the Office of the United States Trade Representative (USTR) on March 20, 2020. Below we detail the impact of the Section 301 tariffs on the country's leading retailers in light of the COVID-19 pandemic and the essential product needed to address the outbreak that we believe should be excluded from the tariffs immediately.

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 U.S.

RILA, and our members, appreciate the USTR's goal of holding our trading partners accountable. RILA advocates strongly for a rules-based globalized economy where markets are open, trade rules and obligations are met, and governance is fair and transparent. We support the Administration's efforts to address China's unfair trading practices and we appreciate the progress made by the "Phase One" agreement with China.

However, the tariffs that remain in place on upwards of \$300 billion in goods, are being paid for by American businesses, farmers, and consumers – not the Chinese. These tariffs create immense supply chain uncertainty. Never have retailers needed supply chain simplicity more than they do now, in order to ensure that they can guarantee that Americans have access to the items that



they depend on for their health and comfort and to help Americans transition into dramatically different daily lives.

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. An initial line of defense in staving off the virus, hand sanitizer, is currently subject to Section 301 tariffs. The current domestic production of hand sanitizer is insufficient in meeting the recent surge in demand. Another defense mechanism for preventing infection is personal protective equipment (PPE) that medical professionals desperately need in order to safely care for COVID-19 patients. Many PPE products such as gloves and safety glasses are subject to tariffs. The primary tool for Americans to self-diagnose and determine if they are infected, thermometers, also fall under the Section 301 tariffs. As it's 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.

In addition to essential medical products, the practical products that Americans need most when they're ill or caring for loved ones are also subject to the Section 301 tariffs. Staples in every American home such as blankets, towels, bed linens and tea makers are all costing consumers more in a time when they need them most.

Also, in less than two months, the daily lives of Americans have been completely upended. Those Americans who still have jobs are being forced to work from home. The products Americans need to convert their homes into offices, such as HDMI cords, ethernet cables and TV monitors, are all subject to tariffs. And as children, forced to stay home from school, seek outlets for entertainment, their parents will be paying more for toys and games to keep them occupied.

In conclusion, we strongly urge the Administration to lift the Section 301 tariffs that are harming American businesses and consumers during an unparalleled crisis. Now more than ever, Americans need efficient access to critical products at an affordable price. We thank the USTR for giving us the opportunity to provide insight on behalf of our membership. We've also attached our priority HTS codes needed to address the COVID-19 outbreak that we feel should be excluded from Section 301 tariffs immediately.

Sincerely,



Blake Harden
Vice President, International Trade
Retail Industry Leaders Association

