

April 10, 2020

Members of the United State Congress:

As you begin to craft another legislative response to the evolving public health crisis resulting from the spread of COVID-19, the Border Trade Alliance on behalf of our public and private sector members would urge you to include elements that reflect the unique needs of the nation's borders and that encourage the maintenance of supply chains and robust cross-border commerce.

To that end, the BTA offers the following:

Infrastructure

BTA strongly urges any infrastructure funding elements to include a focus on the nation's borders, whose importance is more pronounced than ever as we seek to ensure continued freight mobility. The Coordinated Border Infrastructure program, with some improvements, such as making eligible freight intermodal connectors that connect ports of entry to other road systems, provides a strong starting point. The attached brief provides an overview of the program and potential areas for improvement.

Further, the BTA would support the establishment of a Border Port of Entry Modernization Trust Fund whose purpose, among other things, would be to expand, improve, and construct new U.S. ports of entry and supporting infrastructure to accommodate high volumes of commercial, vehicle, and pedestrian traffic. We would caution, however, that during this difficult economic time that the establishment of this new fund should not result in an increased fee burden on industry. Further, we would urge private sector membership in any fund oversight board.

Port-of-entry retail

All sectors of the American economy have been negatively affected by this pandemic, including retail establishments and their property owners. Due to government-imposed restrictions on travel, the travel industry has been disproportionately and uniquely impacted. Retailers at international airports, seaports, and land ports of entry have experienced a near total ceasing of business. We would strongly urge that any legislation that would include rent payment and eviction abatements for retailers include duty-free retailers and, for those inside airports, relief as it pertains to annual minimum financial guarantees. Acknowledging that such a policy also affects landlords, we would also seek relief on behalf of impacted property owners and their lenders.

Regardless of industry, the BTA believes that no business should suffer irreparable harm due to an event that is beyond anyone's control.

continued

Tariff relief

The BTA strongly supports broad tariff relief for businesses whose supply chains depend on imports from foreign markets. Congress should reassert its constitutionally delegated role to set tariff policy and quickly seek to ameliorate the negative effects of tariffs.

Absent the broad removal of tariffs, we would recommend lifting tariffs related to medical devices, Personal Protective Equipment, and those directly related to coronavirus response. We would also urge the automatic and indefinite extension of exclusions from Sec. 301 tariffs.

USMCA implementation delay

The BTA strongly supported the congressional adoption of USMCA and was looking forward to its June 1, 2020 implementation date. Unfortunately, that date has already slipped by at least one month. A July 1 implementation would also be too aggressive. We would urge Congress, in consultation with the administration and our trade partners Canada and Mexico, to agree to a new enforcement date, ideally not before January 1, 2021.

A moratorium on expanded produce inspections for quality

The BTA requests that Congress direct the U.S. Department of Agriculture and the Department of Commerce to temporarily waive increased inspections for quality on imported produce from Mexico that take place in U.S. warehouses. These inspections are not related to food safety, public safety, or plant health issues; they merely serve to certify the quality (grade) of produce. While the inspections have an important marketplace function, they are not vital to national security or public health.

Inspections for produce quality are important, and the industry relies on them. As such, we would still recommend USDA maintain the inspections for contested loads, especially those at the final consignee. This is an important element in maintaining fair sales terms between U.S. companies in the fresh produce business.

However, in the short term we strongly believe there must be steps taken in order to ensure smooth produce supply chain flows, while also protecting the health of inspectors and border communities. This waiver for loads of fresh produce arriving from Mexico into the U.S. would significantly reduce the possibility that USDA inspectors inadvertently become vectors in border communities.

An expanded Paycheck Protection Program

The BTA supports the nearly \$350 billion Paycheck Protection Program (PPP), which we believe will preserve hundreds of thousands of American jobs, as well as the expanded Small Business Administration Economic Injury Disaster Loan (EIDL) program, which were included in the CARES Act.

Continued

The PPP wisely included small businesses with fewer than 500 employees, sole proprietors, independent contractors, and certain types of 501(c)(3) and 501(c)(19) organizations. The BTA would recommend that the next legislative package fund the PPP with at least an additional \$250 billion and allow 501(c)(6) organizations to participate as well.

Support to states

With state governments bearing a significant and indispensable portion of the responsibility for mitigating the spread of the coronavirus, the BTA believes directing additional funds to state governments is appropriate in the next legislative package. Flexibility should be granted to governors and legislatures in their use of those dollars, but we would urge Congress to make clear that border county and municipal governments whose budgets depend on international bridge tolls and sales taxes derived from cross-border shoppers and visitors should be prioritized in the distribution of those funds.

This is a difficult and unprecedented period in American history. Like you, the BTA remains hopeful that the U.S. economy will regain its footing in the next several weeks. Until that time, we offer these recommendations from the perspective of the cross-border trade community as policies that could prevent a total economic collapse. Please do not hesitate to count on the BTA as a resource as you craft this important legislation.

Sincerely,



Britton Clarke
President



Paola Avila
Chair

Enclosure