

September 21, 2022

The Hon. Katherine Tai U.S. Trade Representative Office of the U.S. Trade Representative 600 17th Street, NW Washington, D.C. 20508

Dear Ambassador Tai:

The Border Trade Alliance writes to you today to express our strong opposition to a recent petition from the Florida congressional delegation urging you to open a Section 301 investigation of fresh produce imports from Mexico.

While our organization is skeptical generally of tariffs because of their market distorting effects and because they increase prices on key manufacturing inputs and on consumers, the claims made by the Florida delegation in this case are particularly ludicrous.

Sen. Marco Rubio and his colleagues claim that Mexico is engaged in an "export targeting scheme." This "scheme", to use the petitioners' word, is nothing more than U.S. importers meeting the demands of a public that wants and expects access to a wide variety of healthy, good tasting, and reasonably priced fresh produce, which can be sourced from Mexico.

Furthermore, the Florida delegation's petition is baseless. The petition does not identify an "unfair act" by Mexico and makes vague references to alleged government subsidies without providing evidence of any existing or current subsidy.

The Floridians falsely claim that the Mexican government is illegally subsidizing its domestic agriculture. It's a charge that both ignores the rules under the WTO and the role of subsidies in U.S. agriculture. We doubt strongly that the Florida delegation intended to make an argument about the folly of agricultural subsidies, including those upon which Florida farmers depend, but Congress – not the USTR – would be the proper forum to conduct such a debate.

As you well know, the United States-Mexico-Canada Agreement, or USMCA, entered into force in 2020. In the negotiation of the USMCA and after its implementation, members of Congress from Florida have failed to insert protectionist provisions into the final agreement or adopt side letters and have sought to use various mechanisms to investigate fresh produce imports from Mexico.

While disappointing, this latest petition is not surprising coming from a delegation that has consistently been unable to persuade the rest of Congress to adopt its protectionist agenda.

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U.S. consumers are suffering through a period of record-high inflation, as year-over-year grocery prices increased more than 13% this summer. Curbing the importation of fresh produce from Mexico would only exacerbate an already untenable situation. The Florida delegation's request is wrong on the facts, and it is harmful to U.S. consumers. On behalf of the Border Trade Alliance, we urge you to reject the petition, which if adopted would serve to practically unravel the USMCA.

Sincerely,

Britton Mullen

President