

February 20, 2019

Governor Tony Evers Office of the Governor 115 East State Capitol Madison, WI 53707

Dear Governor Evers,

As you know, the economy of Wisconsin is reliant not only on the hard work and ingenuity of businesses, farmers, manufacturers, and workers in your state, but it is also dependent on global markets. The goods and services Wisconsin imports and exports to the world help support individuals and families across your state. Today, international trade supports over 197,300 jobs across Wisconsin. We appreciate your continued recognition of the role of trade and global supply chains as critical economic drivers in your state.

Our companies and associations joined together to form <u>Americans for Free Trade</u>, a growing coalition comprised of manufacturers, farmers and agribusinesses, retailers, technology companies, service providers, natural gas and oil companies, importers and exporters, and other supply chain stakeholders. We are united in our concern about the negative impacts that indiscriminate tariffs continue to have on U.S. businesses, workers and consumers.

We write today to inform you of the mounting toll that tariffs are taking on Wisconsin. New statistics we released, which were derived directly from monthly government data, show that Wisconsin businesses have paid over \$194 million in added tariffs through November of last year. In November 2018 alone, the tariffs Wisconsin businesses paid on imports rose to \$64 million, an increase of over nine times what was paid in November 2017. While business owners are often picking up the tab for this increase in costs, they are also being passed on to consumers across your state.

The data also shows that Made-in-Wisconsin exports are suffering under the weight of retaliatory tariffs. Since the trade war began, Wisconsin exports have faced \$89 million in new retaliatory tariffs from our trading partners, including \$18 million in November. These tariffs make Wisconsin and its businesses less competitive. In November, Wisconsin exports subject to retaliation dropped by 26%.

While the United States is currently in a period of unprecedented economic growth and job creation, continued prosperity is not a foregone conclusion. As the statistics we released show, tariffs are already undercutting small business owners, the primary driver of economic growth and job creation. The additional threat of raising tariffs to 25 percent on \$200 billion worth of imports from China – and the threat to impose a similar duty on \$267 billion more of such products – will only make the situation worse. This also includes the continuing tariffs and retaliation over the steel and aluminum 232 actions. Continuing to escalate the trade war will



drive uncertainty across all industries, increase stock market volatility, and create more stories of economic pain, which we are already seeing on a daily basis.

As a coalition, we agree that our trading partners must be held accountable for unfair trading practices. However, punishing American businesses and families with tariffs that they – not foreign countries – pay is not the answer.

Over decades, Americans have built global supply chains that reflect the U.S. economy's strengths and those of its trading partners. These supply chains have made the U.S. economy even more dependent upon relationships with key economic and strategic allies than ever before. Supply chains are extremely complex, and they cannot be shifted overnight. The disruption caused by the use of tariffs threatens to harm these key relationships and damage the U.S. economy, which still remains extremely strong.

Americans for Free Trade has joined with Farmers for Free Trade to support the "Tariffs Hurt the Heartland" campaign (www.tariffshurt.com) to highlight the negative impacts of the tariffs on businesses large and small, workers and families. We hope you will lend your support to AFT's efforts across the country and help to carry our message to the people of your great state. We also strongly encourage you to work with the Wisconsin Congressional delegation and to use your powerful platform to prevent further harm to your state's workers, consumers, and families that will result from both the existing and proposed tariffs.

We invite you to learn more about the negative impact of tariffs in Wisconsin by visiting www.tariffshurt.com/state-impact-reports. If you have questions about the AFT coalition, please visit www.americansforfreetrade.com or contact info@americansforfreetrade.com.

Sincerely,

Accessories Council

Agriculture Transportation Coalition (AgTC)

ALMA, International (Association of Loudspeaker Manufacturing and Acoustics)

American Apparel & Footwear Association (AAFA)

American Association of Exporters and Importers (AAEI)

American Association of Port Authorities

American Bakers Association

American Chemistry Council

American Coatings Association, Inc. (ACA)

American Down and Feather Council

American Home Furnishings Alliance

American Lighting Association

American Petroleum Institute

American Pyrotechnics Association

American Rental Association



American Specialty Toy Retailing Association

Arizona Technology Council

Arkansas Grocers and Retail Merchants Association

Association For Creative Industries

Association for PRINT Technologies

Association of Equipment Manufacturers (AEM)

Association of Home Appliance Manufacturers

Auto Care Association

BSA | The Software Alliance

Business & Institutional Furniture Manufacturers Association (BIFMA)

California Retailers Association

Coalition of New England Companies for Trade (CONECT)

Coalition of Services Industries (CSI)

Colorado Retail Council

Columbia River Customs Brokers and Forwarders Assn.

Computer & Communications Industry Association (CCIA)

Computing Technology Industry Association (CompTIA)

Consumer Technology Association

Council of Fashion Designers of America (CFDA)

CropLife America

Customs Brokers & Freight Forwarders Assn. of Washington State

Customs Brokers & Freight Forwarders of Northern California

Distilled Spirits Council of the United States

Electronic Transactions Association

Fashion Accessories Shippers Association (FASA)

Fashion Jewelry & Accessories Trade Association

Flexible Packaging Association

Florida Ports Council

Florida Retail Federation

Footwear Distributors and Retailers of America (FDRA)

Fragrance Creators Association

Gemini Shippers Association

Georgia Retailers

Global Chamber®

Global Cold Chain Alliance

Grocery Manufacturers Association

Halloween Industry Association

Home Fashion Products Association

Home Furnishings Association

Household and Commercial Products Association

Idaho Retailers Association

Illinois Retail Merchants Association

Independent Office Products & Furniture Dealers Association (IOPFDA)



Indiana Retail Council

Information Technology Industry Council (ITI)

International Bottled Water Association (IBWA)

International Foodservice Distributors Association

International Housewares Association

International Warehouse and Logistics Association

International Wood Products Association

Internet Association

Juice Products Association (JPA)

Juvenile Products Manufacturers Association

Los Angeles Customs Brokers and Freight Forwarders Assn.

Louisiana Retailers Association

Maine Grocers & Food Producers Association

Maine Lobster Dealers' Association

Maritime Exchange for the Delaware River and Bay

Maryland Retailers Association

Methanol Institute

Michigan Chemistry Council

Minnesota Retailers Association

Missouri Retailers Association

Motor & Equipment Manufacturers Association

Motorcycle Industry Council

NAPIM (National Association of Printing Ink Manufacturers)

National Association of Chain Drug Stores (NACDS)

National Association of Chemical Distributors (NACD)

National Association of Foreign-Trade Zones (NAFTZ)

National Association of Home Builders

National Association of Music Merchants

National Association of Trailer Manufacturers (NATM)

National Confectioners Association

National Council of Chain Restaurants

National Customs Brokers and Freight Forwarders Association of America

National Electrical Equipment Manufacturers Association (NEMA)

National Fisheries Institute

National Foreign Trade Council

National Grocers Association

National Lumber and Building Material Dealers Association

National Marine Manufacturers Association

National Restaurant Association

National Retail Federation

National Sporting Goods Association

Natural Products Association

New Jersey Retail Merchants Association



North American Association of Uniform Manufacturers and Distributors (NAUMD)

North Carolina Retail Merchants Association

Ohio Council of Retail Merchants

Organization for International Investment

Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc.

Pennsylvania Retailers' Association

PeopleforBikes

Personal Care Products Council

Pet Industry Joint Advisory Council

Petroleum Equipment & Services Association

Plumbing Manufacturers International

Power Tool Institute (PTI)

Precious Metals Association of North America (PMANA)

Promotional Products Association International

Recreational Off-Highway Vehicle Association

Retail Association of Maine

Retail Council of New York State

Retail Industry Leaders Association

Retailers Association of Massachusetts

RISE (Responsible Industry for a Sound Environment)

RV Industry Association

San Diego Customs Brokers and Forwarders Assn.

SEMI

Snowsports Industries America

Society of Chemical Manufacturers & Affiliates

Software & Information Industry Association (SIIA)

South Dakota Retailers Association

Specialty Equipment Market Association

Specialty Vehicle Institute of America

Sports & Fitness Industry Association

Telecommunications Industry Association (TIA)

Texas Retailers Association

Texas Water Infrastructure Network

The Airforwarders Association

The Fertilizer Institute

The Hardwood Federation

The Toy Association

The Vinvl Institute

Travel Goods Association

Truck & Engine Manufacturers Association (EMA)

U.S. Hide, Skin and Leather Association

United States Council for International Business

United States Fashion Industry Association



US Global Value Chain Coalition
US-China Business Council
Virginia Retail Merchants Association
Virginia-DC District Export Council (VA-DC DEC)
Washington Retail Association
Window and Door Manufacturers Association
World Pet Association, Inc. (WPA)