

AMERICANS FOR FREE ★ TRADE

March 19, 2019

Governor Henry McMaster
Office of the Governor
1205 Pendleton Street
Columbia, SC 29201

Dear Governor McMaster,

As you know, the economy of South Carolina 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 South Carolina imports and exports to the world help support individuals and families across your state. Today, international trade supports over 496,100 jobs across South Carolina. 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 [Americans for Free Trade](#), 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 South Carolina. [New statistics](#) we released, which were derived directly from monthly government data, show that South Carolina businesses have paid over \$216 million in added tariffs through December of last year. In December 2018 alone, the tariffs South Carolina businesses paid on imports rose to \$62 million, an increase of over seven times what was paid in December 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-South Carolina exports are suffering under the weight of retaliatory tariffs. Since the trade war began, South Carolina exports have faced \$267 million in new retaliatory tariffs from our trading partners, including \$34 million in December. These tariffs make South Carolina and its businesses less competitive. In December, South Carolina exports subject to retaliation dropped by 25%.

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

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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 South Carolina 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 South Carolina 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

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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 (CONNECT)
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)

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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

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North American Association of Uniform Manufacturers and Distributors (NAUMD)
North Carolina Retail Merchants Association
Ohio Council of Retail Merchants
Organizaiton 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 Vinyl 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

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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)