



January 13, 2020

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Comments on Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute
Docket No: USTR- 2019-0003-2518

Dear Ambassador Lighthizer:

The American Cheese Society (ACS) is the non-profit trade organization that is the leader in promoting and supporting American cheeses. Over 2,400 cheesemakers, specialty food retailers, distributors, and other industry stakeholders make up ACS's membership.

I am writing in regards to additional retaliatory tariffs that are being proposed as part of the enforcement of U.S. WTO Rights in the Large Civil Aircraft Dispute. ACS wrote to you earlier in opposition of the 25% tariffs that were ultimately implemented on October 18, 2019. These tariffs have already damaged the small and very small businesses that comprise the specialty food industry, hitting those businesses particularly hard during the all-important holiday retail season. Increased tariff rates on products already under tariff and/or additional tariffs on cheese and related specialty food categories would be punitive toward an industry that is already struggling.

Cheese is the highest volume category in specialty foods, with annual sales in excess of \$4.2 billion. Cheese and related food items are sold by small retailers who distinguish themselves in part by their selection and mix of high quality, unique domestic and imported foods. With an estimated 14,000 specialty food retailers across the U.S., as well as 20,000+ other food retailers, the impact of increased tariffs is severe. Several of our retail members were directly and immediately impacted by these tariffs, including Di Bruno Bros. in Philadelphia and Bi Rite Market in San Francisco. One of our cheese industry leaders, Pastoral Artisan Cheese, Wine & Bread, a retailer that operated multiple stores in Chicago, was forced to close its doors after 15 years in business. The tariffs were cited as one factor in this closure.

USTR has requested comments on whether tariffs should be put on products listed in Appendix II. These products were on the original list of HTS subheadings published last spring but were not on the final lists of products under tariff published on October 2. ACS asks that these additional and increased tariffs not be implemented. ACS also recommends that the tariffs on all cheeses and specialty food products that took effect on October 18 be eliminated - especially given the industrial nature of this long-standing dispute, the many valuable industrial imports that could be substituted, and the likelihood that the EU will respond with additional tariffs on U.S.-produced foods.

ACS members and the broader specialty food industry have already been significantly damaged by these tariffs. Tariffs on additional product categories, including cheeses, jams, pasta, and juices, will inflict more hardship on an industry already reeling from the unfair implementation of tariffs. Any tariffs that stem from this ongoing dispute between large aviation companies would be most relevant if placed on products used in the aircraft industry. The cheese and specialty food industries are not involved in this trade dispute between aerospace giants and should not be harmed in this dispute.

Nora Weiser
Executive Director