



January 17, 2023

The Honorable Katherine Tai  
United States Trade Representative  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

**RE:** Request for Comments in Four-Year Review of Actions Taken in the Section 301 Investigation: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2022-0014)

Dear Ambassador Tai:

On behalf of the members of the National Restaurant Association (“The Association”), we write today to urge the United States Trade Representative (“USTR”) to remove the Section 301 tariffs on all commercial seafood tariff lines and continue to exempt commercial seafood tariff lines that have thus far been excluded or exempted from the Section 301 tariff process. These tariffs have harmed U.S. seafood businesses, restaurants, and consumers by raising prices on seafood products while doing nothing to discipline China for its violations of U.S. and international trade laws.

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises nearly 1 million restaurant and foodservice outlets and a workforce of 14.5 million employees. Together with 52 state associations, the National Restaurant Association creates a network of professional organizations dedicated to serving every restaurant through advocacy, education, and food safety.

Restaurants rely on global, interconnected supply chains to provide seafood to millions of customers daily. Many of the seafood products that are subject to the Section 301 tariffs are among the most popular seafood items our members offer and are a staple for both quick service and table service restaurants across the country. The Section 301 tariffs levied on seafood products have led to higher costs for American restaurants and ultimately higher prices for consumers, which in turn has contributed to high food inflation. The increased costs fall particularly hard on small and medium-sized restaurants, which often lack the resources and scale to quickly adapt to tariffs and cannot absorb the added costs.

As an industry that feeds millions of customers daily, restaurants are uniquely vulnerable to fluctuations in food prices. While our members are able to absorb the food price differences that come as a result of regular market forces, levying an up to 25% tariff on popular seafood products has resulted in significantly higher food costs that restaurants are unable to bear without passing them to customers.

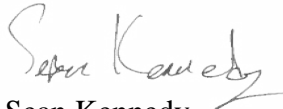
Furthermore, for many of our members, even slight increases in prices can have an impact on customers. It must also be remembered that restaurants throughout the country serve low and middle-income families seeking accessible seafood, often in communities where affordable protein can be scarce. The tariffs have essentially made it more expensive for American restaurants to serve families healthy, affordable seafood.

Finally, seafood is not important to the underlying Section 301 dispute with China. The imposition of Section 301 tariffs on seafood sourced from China has done, and will do, nothing to discipline China for its violations of U.S. intellectual property rights; cybersecurity; and innovation. Removing seafood from the scope of the Section 301 dispute will not meaningfully reduce USTR's negotiating leverage with PRC trade officials, but it will provide much-needed relief to the U.S. seafood value chain, restaurants, and the many U.S. workers reliant on overseas sourcing for their jobs.

U.S. restaurants are already facing an unprecedented series of inflationary pressures and supply chain challenges, including logistics snarls, a weakened economy, and a slow pandemic recovery. We simply cannot continue to absorb the additional costs brought on by the Section 301 tariffs on food products. Eliminating seafood from the dispute permanently will be an immediate boost for our members, American families, and the millions of workers they directly support. Accordingly, we ask USTR to remove all commercial seafood tariff lines from the China Section 301 process and look elsewhere for a more effective means to punish China for its trade law violations.

We appreciate your consideration of these comments.

Sincerely,



Sean Kennedy  
Executive Vice President, Public Affairs