



May 2, 2022

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders Schumer, McCarthy, and McConnell:

On behalf of the National Restaurant Association, we applaud your leadership to advance bipartisan legislation promoting American innovation and competitiveness. Streamlining supply chains and reducing trade barriers will help restaurants address mounting costs and challenging economic conditions. Additionally, avoiding burdensome overregulation and excluding unrelated labor provisions will ensure broad support from restaurants concerned with expanded federal rules.

As you work in conference to reconcile the differences between the House and Senate versions of legislation (H.R. 4521 and S. 1260), we ask for your consideration on the following issues:

- Reinstatement of the tariff exclusion process to reduce costs for restaurants
- Prevention of new rules from disrupting the seafood supply chain
- Protection of secret ballot elections for workers rather than a new compulsory “card check” process

The U.S. Innovation and Competition Act (S. 1260) includes language that would require the Office of the U.S. Trade Representative (USTR) to reinstate the exclusion process for products subject to tariffs under Section 301 of the Trade Act of 1974. Reestablishing a fair, transparent, and retroactive exclusion process for products subject to the 301 tariffs is crucial to address the harm these tariffs have inflicted on American businesses and consumers.

Restaurants are still recovering from a global pandemic and now face skyrocketing inflation and immense supply chain disruptions. From March 2021 to March 2022, average wholesale food costs increased 17.1% - the largest 12-month increase since 1974. Tariffs increase costs on restaurant equipment, materials, and suppliers while placing a financial burden on the U.S. supply chain. While we continue to support removing the additional tariffs on U.S. companies and China’s retaliatory tariffs, we believe reinstating the section 301 exclusion process is critical to providing relief for our nation’s restaurants. **We request the conference committee adopt the exclusion process in the Senate’s U.S. Innovation and Competition Act.**

Additionally, the America COMPETES Act, H.R. 4521, includes provisions that would be harmful to the restaurant industry and the entire seafood supply chain. The provisions would exponentially expand the Seafood Import Monitoring Program (SIMP), which would replace the current risk-based framework with onerous and unworkable obligations for producers, processors, and distributors. These overly burdensome requirements would disrupt the seafood supply chain, place a great burden on business, and raise the cost of seafood at a time when the market is already tremendously strained.

Speaker Pelosi
Leader Schumer
Leader McCarthy
Leader McConnell
May 2, 2022
Page Two

While we strongly support efforts to combat illegal, unreported and unregulated (IUU) fishing, this provision will not achieve the desired goal as stated by the National Oceanic and Atmospheric Administration. **We urge the conference committee to include the Senate language, specifically Sec. 71002 – “Preventing Importation of Seafood and Seafood Products Harvested or Produced Using Forced Labor,” in the final report.**

Restaurants are also concerned with language in the House bill that would allow the unionization of workplaces through the collection of signed authorization cards, versus through secret ballot elections. Workers should be free to vote their conscience, in private, rather than be subject to coercion and intimidation by those who collect authorization cards. **We ask the committee to exclude this “card check” language in the final report.**

Finally, as you consider provisions that will help U.S. competitiveness and economic recovery, we encourage you to ensure that the Ocean Shipping Reform Act (S. 3580/H.R. 4996), which passed both chambers, is also passed as soon as possible. The reforms in this legislation will help address systemic supply chain and port disruption issues which have increased during the pandemic.

We thank you for your leadership on this legislation to ensure our nation’s competitiveness and look forward to working with you on the final conference product.

Sincerely,



Sean Kennedy
Executive Vice President, Public Affairs