

TEMPLATE - HEARING REQUEST USTR 2019-0004-0001

Joseph Barloon
General Counsel
Office of the United States Trade Representative
600 17th St. NW
Washington, D.C. 20508

RE: Request to Appear at Hearing in Docket No. USTR-2019-0004-0001. Request to Appear to Provide Testimony Concerning Proposed Modification of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

___[COMPANY]_____, thanks you for the opportunity to respond to the proposed modification of action pursuant to section 301: China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. Our recommendation is to remove black and green teas (HTS subheading: 0902.10.10, 0902.10.90, 0902.20.10, 0902.20.90, 0902.30.00, 0902.40.00) and instant tea/extracts (Instant/Extracts of Tea (2101.20 series) from the proposed product list. As ___[TITLE]_____ of ___[COMPANY]_____, I'd appreciate the opportunity to present testimony to the Section 301 Committee about the importance of the tea industry in the United States and the disproportionate economic harm these tariffs would have on US tea businesses and US consumers. Below is a summary of my proposed testimony. The US tea industry, particularly specialty tea, is reliant on continued access to Chinese tea imports for present and future growth and success.

- ___[COMPANY]_____ is ___[COMPANY DESCRIPTION]_____ .
- Chinese teas have a significant historical and cultural value to America. The Boston Tea Party and similar events of the American Revolution were motivated by onerous and unreasonable impediments to the import of Chinese tea.
- The purpose of the tariffs is to change China's practices relating to technology transfers, intellectual property and innovation. Imposing punitive tariffs on tea would not be effective in changing these practices because tea exports are a very small part of China's overall tea sector. Most tea that China produces is consumed domestically. Moreover, the tea trade does not suffer from unfair technology transfers, theft of intellectual property, or stifled innovation. Further, punitive tariffs on tea would have a disproportionate economic impact on small and medium-sized

enterprises because most of the US importers (those that pay the tariffs) are small businesses.

- The United States is not a tea producing nation. There is virtually no commercial tea grown that needs to be protected by tariffs, nor are there any farm-based jobs that would be protected.
- Like wine, tea varies dramatically due to local terrior (geography, climate, and local manufacturing techniques). China has many unique teas that are unavailable elsewhere, due to their unique cultivars, terriors, and processing methods. In the area of specialty tea, many teas are unable to be sourced anywhere else in the world.
- Tea production long predates China's rise as a manufacturing powerhouse- it is a rural-based, long term crop that was not designed to capture foreign business. According to the International Tea Committee (ITC) 2017 Annual Bulletin of Statistics:
 - China produces approx 5.2 Billion pounds of tea and retains approx 4.5 Billion pounds for domestic consumption
 - China exports 0.042 Billion pounds to the US (less than 1% of total production)

This quantity is not a meaningful amount of tea from the perspective of Chinese tea producers.

- The imposition of tariffs on Chinese tea will not impact the Chinese producer, exporter, or government. However IT WILL negatively impact the US consumer.

We strongly urge you to forego a tax (tariff) on tea as it will negatively impact American businesses and citizens and have no effect on the trade issues with China. I look forward to the opportunity to provide my testimony to the Section 301 Committee.

Sincerely,

[NAME]

[TITLE]

[COMPANY NAME]

[EMAIL]