

**Congress of the United States**  
**Washington, DC 20515**

August 7, 2018

The Honorable Robert Lighthizer  
US Trade Representative  
Office of the US Trade Representative  
600 17<sup>th</sup> Street NW  
Washington, DC 20508

The Honorable Sonny Perdue  
Secretary  
US Department of Agriculture  
1400 Independence Ave. SW  
Washington, DC 20250

The Honorable Wilbur Ross  
Secretary  
US Department of Commerce  
1401 Constitution Ave. NW  
Washington, DC 20230

Dear Ambassador Lighthizer, Secretary Perdue, and Secretary Ross:

As representatives of the state of Oregon, we write to bring to your attention the harmful effect of Chinese tariffs on Oregon's hazelnut farmers, and to urge you to work with China to reduce or eliminate these tariffs as part of any future dialogue with China on tariff barriers to U.S. agriculture exports. In the absence of engagement with China, and with the added burden of retaliatory tariffs, barriers facing U.S. farmers and manufacturers are growing. This is among the key issues that must be addressed with respect to our trade relationship with China.

Oregon hazelnuts account for 99 percent of the commercial hazelnut production in the United States. Hazelnut production and processing are important to Oregon's economy, particularly in the Willamette and Umpqua valleys in western Oregon. Nearly 800 farm families grow hazelnuts on 67,000 acres in Oregon, and that number is expected to increase. The Oregon hazelnut is prized for its high quality and unique flavor by consumers worldwide, including in China.

The ability of U.S. hazelnut producers to grow their exports to China has historically been severely limited by Chinese tariffs on both in-shell and shelled hazelnuts. While U.S. producers were hopeful that the Administration's trade discussions with China could result in a reduction of these tariffs, those discussions appear stalled, and moreover, like so many other agricultural products, U.S. hazelnuts instead now face even higher Chinese tariffs imposed in retaliation to new U.S. tariffs on Chinese imports. China included U.S. grown hazelnuts in its list of U.S. exports subject to retaliatory measures taken in response to the U.S. tariffs resulting from the Section 232 investigation of steel and aluminum products, tacking a 15 percent tariff on to the preexisting Chinese tariff of 25 percent on in-shell hazelnuts and 10 percent on shelled hazelnuts. In retaliation to the U.S. tariffs levied as a result of the Section 301 investigation, China imposed an additional 25 percent tariff on U.S. hazelnuts, bringing its applied tariff rate on U.S. in-shell and shelled hazelnuts to 65 percent and 50 percent, respectively.


U.S. hazelnut farmers and producers find themselves at a disadvantage when competing with other producers that are subject to lower tariffs, or are not subject to tariffs at all. For instance, Chilean hazelnuts are not subject to any tariffs when exported to China.


We urge you to engage with China to level the playing field for our Oregon farmers and therefore help their industry thrive. We encourage you to seek an elimination or substantial reduction of China's burdensome tariffs on Oregon in-shell and shelled hazelnuts as part of any future dialogue with China on tariff barriers to U.S. agriculture exports. The reduction or elimination of these tariffs would make a meaningful difference to Oregon family farmers and U.S. producers.


Thank you for your consideration, and we look forward to your response.


Sincerely,


  
Suzanne Bonamici  
Member of Congress

  
Ron Wyden  
United States Senator

  
Jeffrey A. Merkley  
United States Senator

  
Peter A. DeFazio  
Member of Congress

  
Earl Blumenauer  
Member of Congress

  
Kurt Schrader  
Member of Congress