

United States Senate

WASHINGTON, DC 20510

July 21, 2016

The Honorable Penny Pritzker
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Pritzker:

I write to express concern that the Administration may be renegotiating its sugar suspension agreements with Mexico without allowing for public comment. Policy with economic implications of this magnitude deserves careful study and an opportunity for input from all affected.

Since implementation in December 2014, the sugar managed trade agreements between the United States and Mexico have restricted the sugar supply available in the U.S. to a level far too low to meet domestic demand and have caused an unjustified price hike for American businesses and consumers. These new trade restrictions have effectively reset government-supported sugar prices nearly 20 percent higher than the levels Congress agreed on in the 2014 Farm Bill. I raised my concern about this predictable outcome in my July 2014 letter to you on this issue.

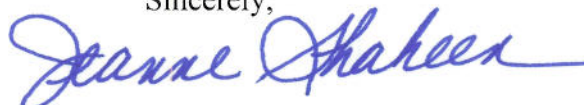
Commerce is essentially re-writing agricultural policy outside of the Farm Bill, and it is putting American jobs at risk. The U.S. has approximately 600,000 jobs in sugar-using industries, as compared with less than 20,000 in sugar growing and processing. But since 1997, more than 125,000 American jobs in sugar-using industries have been lost. When U.S. sugar prices are higher than those in other countries, food manufacturing companies have a powerful incentive to move American jobs abroad.

Worse, the specific details of the suspension agreements have had a variety of unintended negative consequences. Most prominently, the attempt to manage the percentage of raw versus refined sugar imports has resulted in a shortage of raw sugar for U.S. cane refineries, which are currently forced to operate below capacity. This is a clear example of the need for future policy to be crafted carefully and with thorough study, and it underlines the risks of rushing through any changes.

It is important to take the time to ensure any managed trade agreement is effective and well-designed and will not result in adverse unintended consequences. Commerce should consult with a wide variety of stakeholders and receive input from the public.

I urge you to utilize a public comment period of at least 30 days and to ensure that any final agreement with Mexico does not hurt American jobs or American consumers. Thank you for your attention to this matter.

Sincerely,



Jeanne Shaheen
United States Senator